EXHIBIT 1

O2016-5111

City of Chicago

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	6/22/2016
Sponsor(s):	Dept./Agency
Type:	Ordinance
Title:	Amendment of Municipal Code Titles 2, 3, 4 and 17 regarding regulation and licensing of shared housing units and vacation rentals
Committee(s) Assignment:	Joint Committee: Housing and Real Estate; Zoning, Landmarks and Building Standards

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-25-050 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

2-25-050 Powers and duties of the department.

(Omitted text is unaffected by this ordinance)

(b) Powers and duties of the commissioner and the department. The powers and duties of the commissioner and department shall be as follows:

(Omitted text is unaffected by this ordinance)

(10) To require the production and examination of books, papers, records and documents pertinent to any license, registration or permit or lack thereof, or to any license, registration or permit application or lack thereof, or to any license, registration or permit fee or business tax paid or required to be paid under this Code, and to issue and enforce subpoenas therefor, as well as to institute investigations, inquiries or hearings and to take testimony and proof under oath at such hearings;

(Omitted text is unaffected by this ordinance)

SECTION 2. Chapter 3-24 of the Municipal Code of Chicago is hereby amended by adding a new Section 3-24-035, by deleting the language stricken through and by inserting the language underscored, as follows:

3-24-020 Definitions – Construction.

A. For the purpose of this chapter, whenever any of the following words, terms or definitions are used herein, they shall have the meaning ascribed in this section:

(Omitted text is unaffected by this ordinance)

4. "Hotel accommodations" means~~, except as otherwise provided in this paragraph,~~ a room or rooms in any building or structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment hotel, lodging house, bed-and-breakfast establishment, vacation rental~~,~~ as defined in Section 4-6-300, shared housing unit as defined in Section 4-14-010, dormitory or similar place, where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, whether with or without meals. ~~The term "hotel accommodations" shall not include (i) an accommodation which a person occupies, or has the right to occupy, as his domicile and permanent residence; (ii) any temporary~~

~~accommodation provided in any building or structure owned or operated, directly or indirectly, by or on behalf of a not-for-profit medical institution, hospital, or allied educational institution; or (iii) an accommodation in a bed-and-breakfast establishment that is licensed under Section 4-6-290.~~

(Omitted text is unaffected by this ordinance)

3-24-030 Tax imposed.

A. There is hereby imposed and shall immediately accrue and be collected a tax, as herein provided, upon the rental or leasing of any hotel accommodations in the City of Chicago, at the rate of four and one-half percent of the gross rental or leasing charge.

B. In addition to the tax imposed under subsection A of this section, there is hereby imposed and shall immediately accrue and be collected a surcharge, as herein provided, upon the rental or leasing of any hotel accommodations at any vacation rental or shared housing unit in the City of Chicago, at the rate of four percent of the gross rental or leasing charge. The purpose of this surcharge is to fund supportive services attached to permanent housing for homeless families and to fund supportive services and housing for the chronically homeless. Up to eight percent of the revenue from the surcharge shall be used for the City's administration and enforcement of Section 4-6-300 and Chapter 4-14 of the Code, as needed. The remaining revenue from the surcharge shall be used to fund supportive services attached to permanent housing for homeless families and supportive services and housing for the chronically homeless. The surcharge is a part of the tax imposed by this Chapter, and all references to the tax shall be deemed to include the surcharge.

3-24-035 Exemptions.

The tax imposed by this Chapter shall not apply to:

A. an accommodation which the lessee or tenant (as the term "lessee or tenant" is used in Sections 3-24-040 and 3-24-050) occupies, or has the right to occupy, as his domicile and permanent residence;

B. any temporary accommodation provided in any building or structure owned or operated, directly or indirectly, by or on behalf of a not-for-profit medical institution, hospital, or allied educational institution; or

C. an accommodation in a bed-and-breakfast establishment that is licensed under Section 4-6-290.

(Omitted text is unaffected by this ordinance)

SECTION 3. Section 4-4-281 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-4-281 License and registration rescission.

The commissioner shall have the power to rescind any license or registration erroneously issued by the department. To rescind a license or registration, the commissioner shall: (1) send notice by first class mail to the licensee or registrant, as applicable, identifying the basis for the proposed rescission; (2) set forth a date and time, which shall be no sooner than ten calendar days after notice is mailed, for the licensee or registrant to appear before the commissioner to contest the proposed rescission~~,~~; and (3) inform the licensee or registrant that such licensee or registrant is entitled at such hearing to present evidence in opposition to the proposed rescission. Following the hearing, the commissioner shall affirm or reverse the decision to rescind the license. If the licensee or registrant fails to appear at such hearing, the license or registration, as applicable, shall be deemed to be rescinded. The commissioner's decision, which shall be in writing, shall be mailed to the licensee at least five days before the effective date of the rescission. The commissioner's decision shall be final and may be appealed as provided by law.

SECTION 4. Section 4-5-010 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-5-010 Establishment of license fees.

(Omitted text is unaffected by this ordinance)

(36)	Short Term Residential Rental Intermediary (4-13).	$10,000.00, plus a $60.00 per unit fee for each short term residential rental listed on its platform
(37)	Short Term Residential Rental Advertising Platform (4-13).	$10,000.00, if the intermediary has 1,000 or more short term residential rentals listed on its platform; or $5,000.00, if the intermediary has 999 or fewer short term residential rentals listed on its platform
(38)	Shared Housing Unit Operator (4-16).	$250.00

SECTION 5. Section 4-6-180 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-6-180 Hotel.

(a) *Definitions.* As used in this section:

"Hotel" means any building or structure kept, used, maintained as, advertised or held out to the public to be an inn, hotel, motel, family hotel, apartment hotel, lodging house, dormitory or other place, where sleeping or rooming accommodations are furnished for hire or rent, and in which seven or more sleeping rooms are used or maintained for the accommodation of guests, lodgers or roomers. The term "hotel" shall not include "single-room occupancy buildings," or "bed-and-breakfast establishments", "vacation rentals" or "shared housing units" licensed or registered, or required to be licensed or registered, by the city as defined in Section 13-4-010.

(Omitted text is unaffected by this ordinance)

SECTION 6. Section 4-6-290 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-6-290 Bed-and-breakfast establishment.

(a) *Definitions.* As used in this section:

(Omitted text is unaffected by this ordinance)

"Bed-and-breakfast establishment" or "establishment" means an owner-occupied single-family residential building, or an owner-occupied, multiple-family dwelling building, or an owner-occupied condominium, townhouse or cooperative, in which 11 or fewer sleeping rooms are available for rent or for hire for transient occupancy by registered guests. The term "bed-and-breakfast establishment" does not include single-room occupancy buildings as that term is defined in Section 13-4-010; shared housing units registered pursuant to Chapter 4-14 of this Code; or vacation rentals licensed pursuant to Section 4-6-300. If the bed-and-breakfast establishment is a single-family residential building located on a lot that includes a principal house and an accessory building that was being used for residential purposes as of January 16, 2003, the accessory building shall be considered to be part of the establishment. The term "guests" does not include members of the owner's family within the meaning of the Chicago Zoning Ordinance; nor does it include persons who have signed a lease to use and occupy residential property unless the leased residential property is held out by its owner, or by any person acting on the owner's behalf, to be a bed-and-breakfast establishment.

(Omitted text is unaffected by this ordinance)

"Short term residential rental intermediary" or "intermediary" has the meaning ascribed to that term in Section 4-13-100.

"Short term residential rental advertising platform" or "advertising platform" has the meaning ascribed to that term in Section 4-13-100.

(Omitted text is unaffected by this ordinance)

(f) *Legal duties.* Each licensee engaged in the business of bed-and-breakfast establishment shall have a duty to:

(Omitted text is unaffected by this ordinance)

(vi) an evacuation diagram identifying all means of egress from the establishment shall be posted in a conspicuous place on the inside panel of each guest room door; ~~and~~

(6) obtain a valid certificate in food handling and sanitation issued by the department of health~~.~~;

(7) conspicuously display the bed-and-breakfast establishment's license number in every advertisement of any type in connection with the rental of the bed-and-breakfast establishment or any sleeping room within such establishment. Failure to comply with this requirement shall create a rebuttable presumption that the bed-and-breakfast establishment is being operated without the proper license;

(8) If the bed-and-breakfast establishment is listed on any short term residential rental intermediary platform or short term residential rental advertising platform, a licensee under this section shall have the following duties:

(i) not to list, or permit any person to list, on such platform any bed-and-breakfast establishment unless the listing includes the bed-and-breakfast establishment's license number;

(ii) not to rent, or permit any person to rent, and not to book for future rental, or permit any person to book for future rental, any bed-and-breakfast establishment that is not properly licensed by the city;

(iii) following notice of a final determination of ineligibility under Section 4-13-260(b) or Section 4-13-330(b), not to rent or allow any family member to rent, and not to book for future rental or permit any family member to book for future rental, any portion of any bed-and-breakfast establishment identified in such notice that the commissioner has determined is ineligible for listing on any platform. Any person who violates this subsection (f)(8)(iii) shall be fined not less than $500.00 nor more than $1,000.00 for renting or booking for future rental such bed-and-breakfast establishment or any portion thereof within 14 calendar days of the date on which such notice is sent; and not less than $1,500.00 nor more than $3,000.00 for renting or booking for future rental such bed-and-breakfast establishment or any portion thereof on or after the 15th calendar day and before the 28th calendar day of the date on which such notice is sent; and $5,000.00 for renting or booking for future rental such bed-and-breakfast establishment or any portion thereof on or after the 28th calendar day of the date on which such notice is sent. Each day that a violation continues after such 28th calendar day shall constitute a separate and distinct offense;

(iv) following notice of a final determination of ineligibility under Section 4-13-260(b) or Section 4-13-330(b), remove the ineligible listing from the platform in accordance with rules prescribed by the commissioner. Notwithstanding the penalty provided for in subsection (i) of this section, and in addition to any other penalty provided by law, any person who fails to comply with this subsection (f)(8)(iv) shall be fined not less than $1,500.00 nor more than $3,000.00 for such failure to comply within 8 to 14 calendar days of the date on which such notice is sent; and not less than $2,500.00 nor more than $5,000.00 for failure to comply on the 15th calendar day of the date on which such notice is sent or on any calendar day thereafter. Each day that a violation continues after such 15th calendar day shall constitute a separate and distinct offense.

(g) *Prohibited acts.* It shall be unlawful for any person engaged in the business of bed-and-breakfast establishment to:

(Omitted text is unaffected by this ordinance)

(7) violate Section 2-160-070 in connection with the listing for rental, or rental of, the bed-and-breakfast establishment or any portion thereof.

SECTION 7. Section 4-6-300 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

ARTICLE XXX. VACATION RENTALS (4-6-300 ~~et seq.~~)

4-6-300 Vacation rentals.

(a) *Definitions.* As used in this section:

"Applicant" means a natural person; ~~or~~ any partner, if a general partnership; any general partner, if a limited partnership; any principal officer, if a corporation; any managing member, if a limited liability company; any owner of 25% or more of the applicant; or, in the case of a cooperative building, a lessee with a proprietary lease of a cooperative in a cooperative building.

"Board of directors" means the board of directors of a cooperative building.

"Building containing two to four dwelling units" includes, but is not limited to, a duplex or rowhouse comprising two to four connected dwelling units.

"Building containing five or more dwelling units" includes, but is not limited to, a rowhouse comprising five or more connected dwelling units.

"Cooperative building" means a multiple-dwelling complex owned by a cooperative corporation, stock in which affords the owner thereof the right to possess or occupy a particular cooperative allocated to that stock within the complex. This right of possession or occupancy is granted through a proprietary lease or similar arrangement, and, unlike the owner of a condominium, the owner of the cooperative stock does not hold legal title to his or her individual cooperative.

"Cooperative" ~~is~~ means an individual dwelling unit within a cooperative building.

"Dwelling unit" has the meaning ascribed to that term in ~~section~~ Section 17-17-0248.

"Egregious condition" has the meaning ascribed to that term in Section 4-14-010.

"Guest" means any person who rents a vacation rental for transient occupancy by such person. The term "guest" does not include members of the owner's household, as that term is defined in Section 17-17-2070.

"Guest suite" means a dwelling unit that is available for rent or for hire for transient occupancy solely by the guests or family members of residents of the building which contains the dwelling unit, and is not offered, advertised or made available for rent or hire to members of the general public. As used in this definition, the term "family members" has the meaning ascribed to that term in Section 4-14-010.

"Homeowners association" means the association of all the unit owners, acting pursuant to bylaws through its duly elected board of managers. For purposes of this definition, "unit owner" means the person or persons whose ~~estates~~ estate or interest in the unit, individually or collectively, is an aggregate fee simple absolute ownership of ~~a~~ the unit, or in the case of a leasehold condominium, the lessee or lessees of a unit whose leasehold of the unit expires simultaneously with the lease.

"Local contact person" means a person authorized as an agent of the owner who: (1) is designated for service of process; (2) is authorized by the owner to take remedial action and respond to any violation of this Code; and (3) maintains a residence or office located in the City.

"Owner" means any person who owns 25% or more of the interest in a dwelling unit. ~~shall include, for~~ For purposes of this ~~chapter~~ Section 4-6-300 only, the term "owner" includes a person who is a lessee of a cooperative pursuant to a proprietary lease.

~~"Owner-occupied dwelling unit" means a dwelling unit that a person who owns 25% or more of the interest in the dwelling unit; or, in the case of a cooperative building, is a lessee of a cooperative pursuant to a proprietary lease, resides in the dwelling unit as his or her domicile or permanent place of residence; provided that a dwelling unit for which an owner or lessee (i) is absent from the dwelling unit overnight for any longer period of time not to exceed 120 days within a 12-month period; or (ii) is on active military duty for any length of time; and (iii) appoints a designated agent or employee to manage, control and reside in the dwelling unit during the owner's or lessee's absence is considered owner-occupied.~~

"Primary residence" has the meaning ascribed to that term in Section 4-14-010.

. "Shared housing unit" has the meaning ascribed to that term in Section 4-14-010.

"Shared housing unit operator" means any person licensed or required to be licensed under Chapter 4-16 of this Code.

"Single family home" means any building that: (i) contains one dwelling unit only; and (ii) is located on its own lot; and (iii) is not attached to any other dwelling unit.

"Transient occupancy" means any occupancy on a daily or nightly basis, or any part thereof, for a period of 30 or fewer consecutive days has the meaning ascribed to that term in Section 4-6-290.

"Vacation rental" means a dwelling unit that is not an owner-occupied dwelling unit and contains 6 or fewer sleeping rooms that are available for rent or for hire for transient occupancy by guests. The term "guests" does not include members of the owner's household, as that term is defined in section 17-17-0270. The term "vacation rental" shall not include: (i) single-room occupancy buildings or bed-and-breakfast establishments, as those terms are defined in Section 13-4-010; (ii) hotels, as that term is defined in Section 4-6-180; (iii) a dwelling unit for which a tenant has a month-to-month rental agreement and the rental payments are paid on a monthly basis; or (iv) corporate housing; (v) guest suites; or (vi) shared housing units registered pursuant to Chapter 4-14 of this Code. For purposes of this definition:

(1) "tenant" and "rental agreement" have the same meaning ascribed to those terms in section Section 5-12-030;

(2) "corporate housing" means a dwelling unit owned or leased by a business entity that is available for rent or for hire for transient occupancy solely by the business entity's officers, employees, family members of the officers or employees, consultants, vendors or contractors. "Family members" means an officer's or employee's (i) mother, father, spouse, brother or sister (including blood, step or half), son or daughter (including blood, step or half), father-in- law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, grandparents or grandchildren; (ii) court-appointed legal guardian or a person for whom the employee or officer is a court- appointed legal guardian; or (iii) domestic partner or the domestic partner's mother, father, brother or sister (including blood, step, or half), or son or daughter (including blood, step or half) has the meaning ascribed to that term in Section 4-14-010.

(b) *Application – Additional information required.* In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, a renewal of, a regulated business license authorizing the owner of a dwelling unit to rent or lease such dwelling unit as a vacation rental shall be accompanied by the following information:

(1) a statement as to whether the applicant owns the vacation rental identified in the license application;

(1) a statement as to whether the dwelling unit identified in the license application is a: (i) single family home, and, if so, whether the home is the applicant's primary

residence; or (ii) building containing two to four dwelling units, and, if so, whether the dwelling unit is the applicant's primary residence; or (iii) building containing five or more dwelling units;

(2) a statement setting forth: (i) the address of the building in which the vacation rental is located; (ii) if the building contains two or more dwelling units, the location of the vacation rental within the building, including, if applicable, the floor of the building on which the vacation rental is located and the vacation rental unit number, unit letter or similar unit identification; (iii) the total number of sleeping rooms within the vacation rental; and (iv) the ~~ownership~~ owner(s) of the vacation rental;

(3) the name, address and contact information of a local contact person;

(4) an affidavit from the local contact person identified in the license application attesting that such local contact person: (1) is designated for service of process; (2) is authorized by the owner to take remedial action and respond to any violation of this Code; and (3) maintains a residence or office located in the City;

(5) an attestation that the vacation rental is a lawfully established dwelling unit within the meaning of Section 17-17-0248, which contains six or fewer sleeping rooms;

(~~5~~6) if the dwelling unit is subject to restrictions imposed by a homeowners association or board of directors, ~~an affidavit executed by a duly authorized representative of the homeowners association or the board of directors (1) attesting~~ an attestation that the homeowners association or board of directors has not adopted bylaws prohibiting the use of ~~approved~~ the dwelling unit identified in the license application ~~for use~~ as a vacation rental or shared housing unit, in any combination~~; and (2) specifically identifying all other dwelling units in the building approved for use as vacation rentals; and (3) attesting that the association's or board's bylaws are in compliance with the requirements set forth in items (i) through (iv), inclusive, of subsection (c)(5) of this section~~;

(7) if the dwelling unit is subject to a rental agreement, an attestation that the owner of the building in which the dwelling unit is located has not prohibited use of the dwelling unit as a vacation rental or shared housing unit, in any combination;

(8) if the dwelling unit is a single family home, an attestation that such home is the applicant's or licensee's primary residence. Provided, however, that if the owner of the single family home is on active military duty, the affidavit shall include a statement attesting to such fact and to whether the owner has appointed a designated agent or employee to manage, control and reside in the single family home during such owner's absence while on military duty. If the single family home is not the applicant's or licensee's primary residence, an attestation as to whether: (a) the applicable commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been obtained; or (b) the applicant or licensee, as applicable, held a valid vacation rental license, as of June 22, 2016, for the single family home;

(9) if the dwelling unit is located in a building containing two to four dwelling units, inclusive, an attestation that such dwelling unit: (i) is the applicant's or licensee's primary

residence; and (ii) is the only dwelling unit in the building that is or will be used as a vacation rental or shared housing unit, in any combination. Provided, however, that if the owner of the single family home is on active military duty, the affidavit shall include a statement attesting to such fact and to whether the owner has appointed a designated agent or employee to manage, control and reside in the single family home during such owner's absence while on military duty. If the dwelling unit is not the applicant's or licensee's primary residence or is not the only dwelling unit in the building that is or will be used as a vacation rental or shared housing unit, in any combination, an attestation as to whether: (a) a commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been obtained, or (b) the applicant or licensee, as applicable, held a valid vacation rental license, as of June 22, 2016, for the dwelling unit;

(10) if the dwelling unit is located in a building containing five or more dwelling units, an attestation that: (i) no more than six dwelling units in the building, or one-quarter of the total dwelling units in the building, whichever is less, are or will be used as vacation rentals or shared housing units, in any combination; and (ii) if the dwelling unit identified in the license application is licensed as a vacation rental, such dwelling unit will not exceed the limit set forth in item (i) of this subsection (b)(10);

(~~6~~11) a statement as to whether, within two years of the date of application or renewal, the applicant or licensee, as applicable, has ever had a license to engage in the business of vacation rental, bed-and-breakfast establishment, hotel or shared housing unit operator, or a shared housing unit registration under Chapter 4-14 of this Code, suspended or revoked for cause;

(~~7~~12) a statement as to whether, within two years of the date of application or renewal, the applicant or licensee, as applicable, has ever had a license for a vacation rental, bed-and-breakfast establishment, hotel or shared housing unit operator, or a shared housing unit registration under Chapter 4-14 of this Code, for the dwelling unit identified in the license application ~~has ever been~~ suspended or revoked for cause;

(~~8~~13) proof of insurance, as required under subsection (f)(1) of this section; and

(14) a statement as to whether the applicant or licensee, as applicable, held a valid vacation rental license for the unit identified in the license application as of June 22, 2016, and if so, the applicable license number.

(c) *License issuance and renewal – Prohibited when.* No regulated business license to engage in the business of vacation rental shall be issued to the following persons:

~~(1) any applicant or licensee, as applicable, who does not own the vacation rental identified in the license application;~~

~~(2) any applicant or licensee, as applicable, who license to engage in the business of vacation rental has been revoked for cause within two years of the date of application or renewal;~~

~~(3) any applicant or licensee, as applicable, if, within two years of the date of application or renewal, a license for vacation rental for the dwelling unit identified in the license application has been revoked for cause;~~

~~(4) any applicant or licensee, as applicable, who makes any false, misleading or fraudulent statement in the license application, or misrepresents any fact in the license application, or uses any scheme or subterfuge for the purpose of evading any requirement of this section;~~

(1) any applicant or licensee, as applicable, if the dwelling unit identified in the license application is not a lawfully established dwelling unit within the meaning of Section 17-17-0248, which contains six or fewer sleeping rooms;

(~~5~~2) any applicant or licensee, as applicable, if the homeowners association or board of directors of the building in which the ~~vacation rental~~ dwelling unit is located has ~~failed to adopt bylaws which: (i) approve the use of the premises for vacation rentals; and (ii) restrict the number of dwelling units in the building that may be licensed as vacation rentals to six or less units and specifically identify those dwelling units; (iii) authorize the homeowners association or board of directors to act as the local contact person for the owner of the vacation rental; and (iv) authorize access by city officials to the common areas of the building in which the vacation rental is located~~ adopted bylaws prohibiting use of the dwelling unit as a vacation rental or shared housing unit, in any combination;

(3) any applicant or licensee, as applicable, if the dwelling unit identified in the license application is subject to a rental agreement prohibiting the use of the dwelling unit as a vacation rental or shared housing unit, in any combination;

(4) any applicant or licensee, as applicable, if the dwelling unit identified in the license application is a single family home, and such home is not the applicant's or licensee's primary residence. Provided, however, that this prohibition shall not apply if: (i) the owner of the single family home is on active military duty and such owner has appointed a designated agent or employee to manage, control or reside in the single family home during such owner's absence while on military duty; or (ii) the applicable commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been obtained; or (iii) the applicant or licensee, as applicable, held a valid vacation rental license, as of June 22, 2016, for the single family home identified in the license application.

(5) any applicant or licensee, as applicable, if the dwelling unit identified in the license application is located in a building containing two to four dwelling units, inclusive, and (i) such dwelling unit is not the applicant's or licensee's primary residence; or (ii) more than one unit in the building is currently used as a vacation rental or shared housing unit, in any comnbination. Provided, however, that the prohibition set forth in item (i) shall not apply if the applicant or licensee is on active military duty and has appointed a designated agent or employee to manage, control and reside in the dwelling unit during such person's absence while on military duty. Provided further, that the prohibitions set forth in items (i) or (ii) shall not apply if: (a) the applicable commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been

obtained; or (b) the applicant or licensee, as applicable, held a valid vacation rental license, as of June 22, 2016, for the dwelling unit identified in the license application;

(6) any applicant or licensee, as applicable, if the dwelling unit identified in the license application is located in a building containing five or more dwelling units and more than six dwelling units in the building, or one-quarter of the total dwelling units in the building, whichever is less, are or will be used as a vacation rental or shared housing unit, in any combination, if the dwelling unit identified in the license application is licensed as a vacation rental;

(7) any applicant or licensee, as applicable, if the dwelling unit identified in the license application is located at an address identified on the prohibited buildings list maintained pursuant to Section 4-13-270(c);

(8) any applicant or licensee, as applicable, whose license to engage in the business of vacation rental, bed-and-breakfast establishment, hotel or shared housing unit operator or whose shared housing unit registration under Chapter 4-14 has been suspended or revoked for cause within two years of the date of application or renewal;

(9) any applicant or licensee, as applicable, whose license to engage in the business of vacation rental, bed-and-breakfast establishment, hotel or shared housing unit operator for the dwelling unit identified in the license application, or whose shared housing unit registration under Chapter 4-14 for the dwelling unit identified in the license application, has been suspended or revoked for cause;

(10) any applicant or licensee, as applicable, who makes any false, misleading or fraudulent statement in the license application, or misrepresents any fact in the license application, or uses any scheme or subterfuge for the purpose of evading any requirement of this section;

(~~6~~11) any applicant or licensee, as applicable, who has violated any applicable federal, state or local law or regulation promulgated thereunder;

(12) any applicant or licensee, as applicable, whose vacation rental is located in a restricted residential zone, and (ii) such vacation rental was not a legally established use within the meaning of Section 4-17-070 as of the effective date of the ordinance establishing such restricted residential zone.

~~(7) any applicant or licensee, as applicable, if issuance of a license under this section will violate the prohibition set forth in subsection (d)(1) of this section.~~

(d) *Other license requirements.*

(1) No more than six dwelling units within any building ~~shall be licensed as a vacation rental at the same time~~ or one-quarter of the total dwelling units in the building, whichever is less, shall be used as vacation rentals or shared housing units, in any combination.

Provided, however, that this prohibition shall not apply if a commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been obtained.

(2) A separate license shall be required for each dwelling unit used as a vacation rental.

(e) *Department duties – Inspections.*

(1) The building commissioner is authorized to mandate an inspection of any vacation rental, at any time and in any manner, including third-party reviews, as provided for in rules ~~and regulations~~ promulgated by the building commissioner.

(2) If the licensee provides food to his guests in the vacation rental, the board of health may inspect the vacation rental in accordance with rules ~~and regulations~~ promulgated by the board of health.

(f) *Legal duties.* ~~Any licensee engaged in the business of vacation rental shall have a duty to:~~

(1) *Insurance – Required.* Each licensee engaged in the business of vacation rental shall have a duty to obtain: (i) homeowner's fire, hazard and liability insurance; and (ii) commercial general liability insurance, with limits of not less than $1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage arising in any way from the issuance of the license or activities conducted pursuant to the license. ~~The licensee shall maintain the insurance required under this subsection (f)(1) in full force and effect for the duration of the license period;~~ Each policy of insurance shall: (A) be issued by an insurer authorized to insure in the State of Illinois; (B) name the City of Chicago as additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license; and (C) be maintained in full force and effect for the duration of the license period.

(2) *Registration records – Required.* Each licensee engaged in the business of vacation rental shall have a duty to maintain current guest registration records which contain the following information about each guest: (i) name, (ii) address, (iii) signature, and (iv) dates of accommodation.

(3) *Maintenance of records – Required.* Each licensee engaged in the business of vacation rental shall have a duty to keep the guest registration records required under subsection (f)(2) of this section on file for three years and, upon request by any authorized city official, to make such records available for inspection by such city official during regular business hours or in the case of an emergency.

(4) *License number in advertisements – Required.* Each licensee engaged in the business of vacation rental shall have a duty to print or to cause the licensee's license number to be printed, in legible type, (i) in every advertisement of any type for any vacation rental that the licensee or the licensee's agent places or causes to be placed in connection with a vacation rental; (ii) on every application for a building permit made by or on behalf of the licensee; and (iii) if

the licensee advertises the vacation rental on a primary website established, operated or maintained by such licensee, on such website. Failure to comply with the requirements of this subsection (f)(4) shall create a rebuttable presumption that the business of vacation rental is being operated without a license.

(5) *Soaps and clean linens – Required.* Each licensee engaged in the business of vacation rental shall have a duty to provide guests with soap, clean individual bath cloths and towels, and clean linen. All linens, bath cloths and towels shall be kept in good repair and changed between guests.

(6) *Sanitized utensils – Food disposal – Required.* Each licensee engaged in the business of vacation rental shall have a duty to clean and sanitize the vacation rental and all dishes, utensils, pots, pans and other cooking utensils between guests and to dispose of all food, beverages and alcohol left by the previous guests.

(7) *Posting – License number – Local contact person – Required.* Each licensee engaged in the business of vacation rental shall have a duty to post in a conspicuous place near the entrance of the vacation rental, the vacation rental license and the name and telephone number of the local contact person.

(8) *Posting – Evacuation diagram – Required.* Each licensee engaged in the business of vacation rental shall have a duty to post in a conspicuous place on the inside entrance door of each vacation rental an evacuation diagram identifying all means of egress from the vacation rental and the building in which the vacation rental is located.

(9) *Food handling safety – Required.* If the licensee provides food to guests, such licensee shall have a duty to comply with all applicable food handling and licensing requirements of this Code and board of health regulations.

(10) *Notification to police of illegal activity – Required.* If a licensee knows or suspects that any criminal activity, egregious condition or public nuisance is taking place in the vacation rental, such licensee shall have a duty to immediately notify and cooperate with the Chicago police department.

(11) *Smoke and carbon monoxide detectors – Required.* Each licensee engaged in the business of vacation rental shall have a duty to ensure that the vacation rental is in compliance with applicable laws regarding the installation and maintenance of functioning smoke and carbon monoxide detectors.

(12) *Compliance with tax laws – Required.* Each licensee shall have a duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes.

(13) *Disclosure and acknowledgment – Required.*

(1) A building or dwelling unit owner, or agent thereof, shall not execute an oral or written lease, contract to lease, or accept any money or other valuable consideration in an application for an oral or written lease for a dwelling unit without disclosing to the tenant or applicant in written form if the building or dwelling unit owner knows that:

(i) The dwelling unit being leased is licensed by the City of Chicago as a vacation rental;

(ii) The dwelling unit being leased is ineligible under Section 4-13-260(a) to be rented as a shared housing unit or vacation rental.

(2) The tenant or applicant shall be required to execute a receipt acknowledging that these written disclosures have been made.

(3) All owners of residential dwelling units and buildings (and their agents) shall, at the time of any offering for sale of said residential dwelling units and buildings, or in the case where improved real property is held under trust the sale of real property which forms the corpus of the trust or the transfer of the beneficial interest in such property, including contract sale, be required to disclose to the purchaser or prospective purchaser if the owner knows that:

(i) The dwelling unit being sold is licensed by the City of Chicago as a vacation rental;

(ii) The dwelling unit being sold or the building is ineligible under Section 4-13-260(a) to be a shared housing unit or vacation rental.

(4) The purchaser or prospective purchaser shall be required to execute a receipt acknowledging that these written disclosures have been made.

(g) *Prohibited acts.* ~~It shall be unlawful for any licensee engaged in the business of vacation rental to;~~

(1) *Rental under 10 hours – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to rent or ~~to~~ lease any vacation rental by the hour or for any period of fewer than ~~24~~ ten consecutive hours;

(2) *Multiple rentals within 10 hour period – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to rent or ~~to~~ lease any vacation rental more than once within any consecutive ~~24~~ ten hour period, as measured from the commencement of one rental to the commencement of the next;

(3) *Advertising hourly rate – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to advertise an hourly rate or any other rate for a vacation rental based on a rental period of fewer than ~~24~~ ten consecutive hours;

(4) *Criminal activity, egregious condition, nuisance – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to permit any criminal activity, egregious condition or public nuisance to take place in the vacation rental. In addition to any other penalty provided by law, any person who violates this subsection (g)(4) shall be subject to a fine of not less than $2,500.00 nor more than $5,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense;

(5) *Exceeding maximum occupancy – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to exceed the maximum occupancy limit of no more than one person per 125 feet of floor area of the dwelling unit for which the license is issued. The occupancy ~~limitations~~ limitation set forth in this subsection (g)(5) ~~are~~ is the absolute ~~maximums~~ maximum limitation. The actual allowed capacity shall be based on the applicable provisions of the building code;

(6) *Service of alcohol – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to serve or otherwise provide alcohol to any guest or invitee of a guest~~.~~;

(7) *Multiple or overlapping bookings – Prohibited.* It shall be unlawful for any licensee engaged in the business of vacation rental to rent the vacation rental in multiple transactions for the same or overlapping time periods.

(h) *Vacation rentals listed on a platform.* If a vacation rental is listed on any short term residential rental intermediary platform or short term residential advertising platform within the meaning of Chapter 4-13 of this Code, a licensee under this section shall have the following duties:

(1) *Listing without license number – Prohibited.* Such licensee shall not list, or permit any person to list, on such platform any vacation rental unless the listing includes the vacation rental's license number;

(2) *Rental without license – Prohibited.* Such licensee shall not rent, or permit any person to rent, or book for future rental, or permit any person to book for future rental, any vacation rental which is not properly licensed by the city;

(3) *Descriptive information on listing – Required.* Such licensee shall include in any listing on such platform(s), the following information about the vacation rental: (A) the licensee's cancellation and check-in and check-out policies; and (B) a statement on: (i) whether the vacation rental is wheelchair or ADA accessible; (ii) whether the vacation rental has any parking availability or restrictions; and (iii) the availability of, or restrictions on, the use of any recreational facilities or other amenities applicable to guests; and (C) a description of the

vacation rental, including the number of sleeping rooms and bathrooms; and (D) the applicable license number;

(4) *Rental of ineligible units by licensee or licensee's family members – Prohibited.* Following notice of a final determination of ineligibility under Section 4-13-260(b) or Section 4-13-330(b), such licensee shall not rent, or allow any family member to rent, any vacation rental identified in such notice that the commissioner has determined is ineligible for listing on any platform. Any person who violates this subsection (h)(4) shall be fined not less than $500.00 nor more than $1,000.00 for renting such vacation rental within 14 calendar days of the date on which such notice is sent; and not less than $1,500.00 nor more than $3,000.00 for renting such vacation rental on or after the 15th calendar day and before the 28th calendar day of the date on which such notice is sent; and $5,000.00 for renting such vacation rental on or after the 28th calendar day of the date on which such notice is sent. Each day that a violation continues after such 28th calendar day shall constitute a separate and distinct offense;

(5) *Lawfully established dwelling unit with six or fewer sleeping rooms -- Required.* Such licensee shall not list on any platform or rent any vacation rental that is not a lawfully established dwelling unit within the meaning of Section 17-17-0248, which contains six or fewer sleeping rooms;

(6) *Violation of condominium or cooperative building restrictions – Prohibited.* Such licensee shall not list on any platform or rent any vacation rental that is subject to restrictions imposed by a homeowners association or board of directors, unless the homeowners association or board of directors has approved the dwelling unit for use as a vacation rental or shared housing unit;

(7) *Violation of rental requirements and restrictions – Prohibited.* Such licensee shall not list on any platform or rent any vacation rental that is subject to a rental agreement, if the rental agreement prohibits the use of such dwelling unit as a vacation rental;

(8) *Listing and rental of single family homes that are not the licensee's primary residence – Restricted.* Such licensee shall not list on any platform or rent any vacation rental that is a single family home, unless such single family home is the licensee's primary residence. Provided, however, that this prohibition shall not apply if: (i) the licensee is on active military duty and such licensee has appointed a designated agent or employee to manage, control and reside in the single family home during such host's absence while on military duty; or (ii) the applicable commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been obtained; or (iii) the applicant or licensee, as applicable, held a valid vacation rental license, as of June 22, 2016, for the single family home;

(9) *Listing and rental in buildings with up to four dwelling units -- Restricted.* Such licensee shall not list on any platform or rent any vacation rental that is located in a building containing two to four dwelling units, inclusive, unless such dwelling unit: (i) is the licensee's primary residence; and (ii) is the only dwelling unit in the building that is or will be used as a vacation rental or shared housing unit, in any combination. Provided, however, that the prohibition set forth in item (i) shall not apply if the licensee is on active military duty and has

appointed a designated agent or employee to manage, control and reside in the dwelling unit during such licensee's absence. Provided further, that the prohibitions set forth in item (i) or (ii) shall not apply if: (a) the applicble commissioner's adjustment under Section 4-6-300(l) permitting otherwise has been obtained; or (b) the licensee held a valid vacation rental license, as of June 22, 2016, for the dwelling unit identified in the license application;

(10) *Listing and rental in buildings with five or more dwelling units – Prohibited.* Such licensee shall not list on any platform or rent any vacation rental that is located in a building containing five or more dwelling units, when more than six dwelling units in the building, or one-quarter of the total dwelling units in the building, whichever is less, are or will be used as a vacation rental or shared housing unit, in any combination, if the dwelling unit identified in the license application is licensed as a vacation rental;

(11) *Removal of ineligible listings from platform.* Following notice of a final determination of ineligibility under Section 4-13-260(b) or Section 4-13-330(b), such licensee shall remove the ineligible listing from the platform in the manner prescribed by the commissioner in rules. In addition to any other penalty provided by law, any person who fails to comply with this subsection (h)(11) shall be fined not less than $1,500.00 nor more than $3,000.00 for such failure to comply within 8 to 14 calendar days of the date on which notice under Section 4-13-260(b) or Section 4-13-330(b) is sent; and not less than $2,500.00 nor more than $5,000.00 for failure to comply on the 15th calendar day of the date on which such notice is sent or on any calendar day thereafter. Each day that a violation continues after such 15th calendar day shall constitute a separate and distinct offense.

(12) *Misrepresenting material facts – Prohibited.* Such licensee shall not misrepresent on any listing any material fact relating to the vacation rental.

(13) *Public accommodation – Discriminatory practices prohibited.* Each vacation rental shall be deemed to be a public accommodation within the meaning of Section 2-160-070. It shall be unlawful for any person that owns, leases, rents, operates, manages or in any manner controls such public accommodation to withhold, deny, curtail, limit or discriminate concerning the full use of such public accommodation by any individual because of the individual's race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income in violation of Section 2-160-070.

(~~h~~i) *Operating without a license – Penalty.* Any person who operates the business of vacation rental without first having obtained the required license for such business shall be subject to a fine of not less than ~~$1,500.00~~ $2,500.00 nor more than $3,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense. Failure to comply with any requirement set forth in subsection (f)(4) of this section shall create a rebuttable presumption that the business of vacation rental is being operated without a license.

(j) *License –Suspension or revocation.*

(1) *Immediate suspension or revocation – Post-deprivation hearing – Authorized when.* If the commissioner has good cause to believe that: (1) continued rental of a vacation rental causes an imminent threat to public health, safety or welfare, and (2) grounds exist for revocation or suspension of the licensee's vacation rental license, including, but not limited to, any of the grounds set forth in items (i) through (vi), inclusive, of subsection (j)(2) of this section, the commissioner may, upon issuance of a written order stating the reason for such conclusion and without notice or hearing, suspend or revoke a vacation rental license under this section and prohibit the licensee from renting the vacation rental to guests for a period of time not to exceed ten calendar days; provided, however, that the licensee shall be afforded an opportunity to be heard during such period. If the licensee fails to request a hearing within the prescribed time, the vacation rental license shall be deemed revoked.

(2) *Suspension or revocation – Pre-deprivation hearing – Authorized when.* In addition to any other applicable reason, a vacation rental license may be suspended or revoked in accordance with Section 4-4-280 under the following circumstances:

(i) *Situs of one or more egregious conditions.* When a vacation rental is the situs of one or more egregious conditions while rented to guests; or

(ii) *Situs of three or more objectionable conditions.* When a vacation rental has been the situs, on three or more occasions, while rented to guests, of disturbance of the peace, public drunkenness, drinking in public, harassment of passersby, loitering, public urination, lewd conduct, overcrowding, exceeding design loads, or excessive loud noise. For purposes of this item (ii):

"Excessive loud noise" means any noise, generated from within or having a nexus to the rental of the shared housing unit, between 8:00 P.M. and 8:00 A.M., that is louder than average conversational level at a distance of 100 feet or more, measured from the property line of the vacation rental.

"Overcrowding" means occupancy by more persons than the maximum occupancy limit of no more than one person per 125 feet of floor area of the vacation rental or the vacation rental's actual capacity based on the applicable provisions of the building code, whichever is less.

"Exceeding design loads" means placing loads on structural elements or components of buildings, including, but not limited to, porches, balconies, and roof decks, in excess of the minimum design loads required by the building code; or

(iii) *Situs of three or more nuisance conditions.* When, in the determination of the commissioner, the rental of the vacation rental creates a nuisance because at least three separate incidents involving illegal acts, as that term is defined in Section 4-4-313(h), occurred during a 12-month period: (1) in the vacation rental; (2) in or on the premises in which the vacation rental is located; (3) in the vacation rental's parking facility, or (4) on adjacent property. For purposes of determining whether three or more illegal acts occurred during a 12-month period, illegal acts occurring shall be limited to acts of the guests, or of invitees of the guests, or to acts otherwise involving circumstances having a nexus to the operation of the vacation rental while rented to a guest. In a proceeding to suspend or revoke the license of a vacation rental that is or creates a nuisance under this Section 4-6-300(j)(2)(iii), any evidence on which a reasonably prudent person would rely may be considered without regard to the formal or technical rules of evidence, and the commissioner may rely on police reports, official written reports, affidavits and business records submitted by authorized city officials or employees charged with inspection or enforcement responsibilities to determine whether such illegal acts or objectionable conditions occurred. If, during any 12-month period three separate incidents of illegal acts occur on the licensed premises, on or in the licensed premises' parking facility, or on adjacent property, a rebuttable presumption shall exist that the vacation rental is or creates a nuisance in violation of this Section 4-6-300(j)(2)(iii); or

(iv) *Scofflaw or problem landlord.* When a vacation rental is listed on, or is located in a building that is listed on, the city's Building Code Scofflaw List or Problem Landlord List pursuant to Section 2-92-416; or

(v) *Threat to public health, safety or welfare.* When the commissioner determines that the continued rental of a vacation rental poses a threat to the public health, safety or welfare; or

(vi) *Unlawful discrimination.* When, in connection with the listing for rental or rental of a vacation rental, the commissioner or Chicago commission on human relations has determined that a violation of Section 2-160-070 or Section 4-6-300(h)(13), as applicable, has occurred.

(~~i~~k) *Penalty.*

(1) *Fines and other applicable penalties.* ~~In~~ Except as otherwise provided in this section, and in addition to any other penalty provided by law, any person who violates ~~any provision of~~ this section or any rule ~~or regulation~~ promulgated thereunder shall be subject to a fine of not less than $1,500.00 nor more than $3,000.00 for each offense~~, or incarceration for a period not to exceed six months, or both~~. Each day that such violation exists shall constitute a separate and distinct offense.

(2) *Exceeding rental restrictions.* ~~If any building contains more than 6 licensed vacation rentals, all vacation rental licenses for dwelling units located within such building are subject to revocation.~~ If the rental restriction applicable to buildings containing more than five dwelling units imposed under Section 4-6-300(d)(1) is exceeded in any building, all vacation rental licenses and shared housing registrations for dwelling units located within such building are subject to revocation under this chapter.

(3) *Injunctive relief.* In addition to any fine or penalty imposed by this section, the corporation counsel may seek an injunction or other equitable relief in a court of competent jurisdiction to stop any violation of this section.

(4) *Duration of revocation.* If a vacation rental license under this section is revoked, such revocation shall remain in effect for a period of at least two years from the date of revocation and thereafter until such time that a new owner or tenant, as applicable, other than a family member of the person whose license was revoked, occupies the dwelling unit.

(l) *Vacation rentals – Commissioner's Adjustments – When authorized.*

(1) The commissioner is authorized to grant an adjustment to allow:

(a) issuance of a license to a vacation rental located in:

(i) a single family home that is not the applicant's primary residence; or

(ii) a building containing two to four dwelling units, inclusive, where the dwelling unit is not the applicant's primary residence;

(b) in a building containing two to four dwelling units, inclusive, an increase in the number of dwelling units that may be used as vacation rentals.

Such an adjustment may be approved only if, based on a review of relevant factors, the commissioner concludes that such an adjustment would eliminate an extraordinary burden on the applicant in light of unique or unusual circumstances and would not detrimentally impact the health, safety, or general welfare of surrounding property owners or the general public.

Factors which the commissioner may consider with regard to an application for a commissioner's adjustment include, by way of example and not limitation: (i) the relevant geography, (ii) the relevant population density, (iii) the degree to which the sought adjustment varies from the prevailing limitations, (iv) the size of the relevant building and the number of units contemplated for the proposed use, (v) the legal nature and history of the applicant, (vi) the measures the applicant proposes to implement to maintain quiet and security in conjunction with the use, (vii) any extraordinary economic hardship to the applicant, due to special circumstances, that would result from a denial, (viii) any police reports or other records of illegal activity or municipal code violations at the location, and (ix) whether the affected neighbors support or object to the proposed use.

The grant of an adjustment shall not exempt the applicant from any application requirement associated with issuance of a vacation rental license.

(2) An adjustment under subsection (l)(1)(a) may be requested by the applicant for the vacation rental license. An adjustment under subsection (l)(1)(b) may be requested by the owner, homeowners association or board of directors of the building.

(3) A person seeking an adjustment shall make a written submission to the commissioner, presenting all factors which the applicant believes to be relevant to whether an adjustment is appropriate. The applicant shall provide a copy of the written submission to the adjoining neighbors. The commissioner shall review the materials and make a written

determination within 60 days, which shall set forth the factors used in arriving at the determination. During the 60-day review period, the commissioner shall notify the affected alderman and solicit a recommendation based on the alderman's analysis of relevant factors, and may seek additional information or supplementary proof from the applicant, and may also solicit information from the community.

If the commissioner denies the application for an adjustment, the applicant, within fourteen days of receiving the denial, may request a hearing from the commissioner. Upon receiving such a request, the commissioner shall schedule and conduct a hearing expeditiously. At the hearing the commissioner may receive written submissions, witness testimony, argument and documents regarding the application. The commissioner shall, within thirty days of the conclusion of the hearing, render a decision, which shall constitute a final determination for purposes of judicial review.

(4) If the commissioner grants the application for an adjustment, those factors that were deemed by the commissioner to be relevant to the determination shall be included in a plan of conduct. If the vacation rental license is granted, the plan of conduct shall be deemed a part of the license, and compliance with the plan of conduct shall be a necessary condition to the continued validity of the license. Failure to comply with one or more elements of the plan of conduct shall subject the licensee to suspension or revocation of the vacation rental license.

(5) Throughout the commissioner's adjustment consideration process, the applicant shall bear the burden of persuasion to justify the sought adjustment.

(m) *Limit calculation.* The limits on the number of vacation rentals in a building shall be calculated as maximum limits using the method in section 17-1-0605-B.

SECTION 8. Title IV of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 4-13, as follows:

CHAPTER 4-13
SHORT TERM RESIDENTIAL RENTAL INTERMEDIARIES AND ADVERTISING PLATFORMS

ARTICLE I. DEFINITIONS

Section 4-13-100 Definitions.

As used in this chapter:

"Bed-and-breakfast establishment" has the meaning ascribed to that term in Section 4-6-290.

"Cooperative building" means a multiple-dwelling complex owned by a cooperative corporation, stock in which affords the owner thereof the right to possess or occupy a particular cooperative allocated to that stock within the complex. This right of possession or occupancy is granted through a proprietary lease or similar arrangement, and, unlike the owner of a condominium, the owner of the cooperative stock does not hold legal title to his or her individual cooperative. As used in this definition, "cooperative" means an individual dwelling unit within a cooperative building.

"Dwelling unit" has the meaning ascribed to that term in Section 17-17-0248.

"Egregious condition" has the meaning ascribed to that term in Section 4-14-010.

"Guest" has the meaning ascribed to that term in Sections 4-6-290, 4-6-300, or 4-14-010, as applicable.

"Homeowners association" has the meaning ascribed to that term in Section 4-6-300(a).

"Platform" means an internet-enabled application, mobile application, or any other digital platform used by a short term residential rental intermediary to connect guests with a short term residential rental provider.

"Shared housing host" has the meaning ascribed to that term in Section 4-14-010.

"Restricted residential zone" has the meaning ascribed to that term in Section 4-17-010.

"Shared housing unit operator" means any person that requires a shared housing unit operator license under Chapter 4-16 of this Code.

"Shared housing unit" has the meaning ascribed to that term in Section 4-14-010.

"Short term residential rental" means a dwelling unit located within the city that is rented as, or held out as being used as, a shared housing unit, bed-and-breakfast establishment or vacation rental.

"Short term residential rental intermediary" or "intermediary" means any person who, for compensation or a fee: (1) uses a platform to connect guests with a short term residential rental provider for the purpose of renting a short term residential rental, and (2) primarily lists shared housing units on its platform.

"Short term residential rental advertising platform" or "advertising platform" means any person who, for compensation or a fee: (1) uses a platform to connect guests with a short term residential rental provider for the purpose of renting a short term residential rental, and (2) primarily lists licensed bed-and-breakfast establishments, vacation rentals or hotels on its platform or dwelling units that require a license under this Code to engage in the business of short term residential rental.

"Short term residential rental provider" or "provider" means any person who offers for rent a short term residential rental.

"Transient occupancy" has the meaning ascribed to that term in Section 4-6-290.

"Vacation rental" has the meaning ascribed to the term in Section 4-6-300.

ARTICLE II. SHORT TERM RESIDENTIAL RENTAL INTERMEDIARY

Section 4-13-200 License – Required.

No person shall engage in the business of short term residential rental intermediary without first having obtained a license under Article II of this Chapter 4-13.

Section 4-13-205 Licensee – Fee.

The license required under this Article II shall be renewed annually. The license fee set forth in Section 4-4-010 shall be payable annually.

Section 4-13-210 License application – Additional information required.

In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, renewal of, a license to engage in the business of short term residential rental intermediary shall be accompanied by the following information:

(1) the name, address and contact information of the intermediary's local contact person;

(2) an affidavit from the local contact person identified in the license application attesting that such local contact person: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city;

(3) proof of all required insurance, as set forth in Sections 4-13-220(a) and 4-13-220(b);

(4) a written plan, subject to the approval of the commissioner, describing the applicant's procedures, processes and policies for ensuring that the applicant and any short term residential rental provider utilizing the platform are, and will remain, in compliance with this Chapter 4-13;

(5) a quality of life plan, subject to the approval of the commissioner, meeting the requirements of Section 4-13-220(h); and

(6) any other information that the commissioner may reasonably require in connection with the issuance or renewal of the license.

Section 4-13-215 Attestation – Required.

The intermediary shall be required to make available an electronic copy of a summary of the requirements of this ordinance, including the requirement that the shared housing host be a natural person; the eligibility requirements for registration of a shared housing unit, as set forth in Chapters 4-13 and 4-14 of the Municipal Code of Chicago, and the potential penalties applicable for violation of the ordinance. As a condition of listing on the platform, the intermediary shall require the shared housing host to attest that the host has reviewed and understood the requirements of this ordinance.

Section 4-13-220 Legal duties.

(a) *Insurance for intermediary – Required.* Each licensee under this Article II shall have the duty to obtain commercial general liability insurance, with limits of not less than $1,000,000 per occurrence, for bodily injury, personal injury (if commercially available to the licensee) and property damage arising in any way from the issuance of the short term residential rental intermediary license or activities conducted pursuant to that license. Each policy of insurance shall: (i) be issued by an insurer authorized to insure in the State of Illinois; (ii) name the City of Chicago as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license (if commercially available to the licensee); (iii) be maintained in full force and effect for the duration of the license period; and (iv) include a provision requiring 30 calendar days' advance notice to the commissioner prior to cancellation or lapse of the policy;

(b) *Insurance for guests – Required.* Each licensee under this Article II shall have the duty to provide commercial general liability insurance, with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury (if commercially available to the licensee), and property damage arising in any way from activities conducted pursuant to a registration or issuance of license for a short term residential rental. Such insurance shall cover any bodily injury, personal injury (if commercially available to the licensee), or property damage sustained by any guest arising in any way from activities related to the rental of the short term residential rental. Each policy of insurance provided shall have policy limits as set forth in this subsection (b) that apply separately for each short term residential rental, and if the policy has an aggregate limit, the aggregate limit shall apply separately to each short term residential rental. Each policy of insurance shall be: (i) issued by an insurer authorized to insure in the State of Illinois; and (ii) maintained in full force and effect for as long as the short term residential rental is registered or licensed, whichever is applicable. The licensee shall provide advance notice to the commissioner of the cancellation of, or lapse in, the policy as soon as is reasonably practicable after the licensee becomes aware of the cancellation of, or lapse in, the policy;

(c) *Identification of local contact person – Required.* Each licensee under this Article II shall have the duty to include on its platform the name of, and contact information for, the licensee's local contact person;

(d) *Compliance with tax laws – Required.* Each licensee under this Article II shall have the duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes;

(e) *Compliance with rental, homeowners association and cooperative building agreements – Required.* Each licensee under this Article II shall have the duty not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee advises the short term residential rental provider that the provider must comply with all existing applicable rental agreements, or homeowners association or cooperative building rules or restrictions, regarding the rental for transient occupancy of the short term residential rental;

(f) *Descriptive listing information – Required.* Each licensee under this Article II shall have the duty not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee advises the short term residential rental provider that every listing shall include the information set forth in Section 4-14-040(a)(1) through (a)(4), inclusive;

(g) *Process to remove listings from a platform – Required.* Each licensee under this Article II shall have the duty to establish a process, to be approved by the commissioner, that enables a short term residential rental provider to remove from the intermediary's platform any or all of the provider's listings on such platform.

(h) *Process to address quality of life concerns due to units on ineligible list – Required.* Each licensee under this Article II shall establish and comply with a process, to be approved by the commissioner, for mitigating the impact on quality of life of units determined to be ineligible under Section 4-13-260 or any hotel that is not properly licensed under Chapter 4-6 of this Code.

(i) *Compliance with written plan – Required.* Each licensee under this Article II shall have the duty to comply with any written plan approved by the commissioner pursuant to Section 4-13-210(4).

(i) *License number on listing – Required when.* Each licensee under this Article II shall establish a process, to be approved by the commissioner, to ensure that every hotel, bed-and-breakfast establishment or vacation rental listed on its platform includes the provider's license number.

Section 4-13-230 Shared housing units – Bulk registration required.

(a) *Bulk registration – Required.* Each licensee under this Article II shall register with the department, on behalf of the owner or tenant of the applicable shared housing unit, and in accordance with this section, all shared housing units listed on the licensee's platform. The registration required under this subsection shall meet the requirements set forth in Section 4-14-020(b) and (c).

(b) *Notice to provider of bulk registration – Required.* Each licensee under this Article II shall post a notice, in a conspicuous place on its platform, informing providers of shared housing units that: (1) the intermediary will register the provider's shared housing unit with the department, as required under subsection (a) of this section; and (2) when the department assigns a registration number to the unit, the intermediary will notify the shared housing provider of such fact, as required under subsection (f) of this section; and (3) upon receipt of such notification from the intermediary, the provider, pursuant to Section 4-14-030(d), has 30 calendar days to update the applicable listing to include the registration number assigned by the department; and (4) if no registration number is assigned to the unit by the department within 90 days of the date on which the shared housing unit was registered with the department, the listing shall be deemed to be invalid and the provider shall remove the listing from the platform; and (5) upon receipt of notification from the commissioner that a unit is ineligible under Section 4-13-260 for listing on the platform, the provider, pursuant to Section 4-14-030(c), shall remove the ineligible listing from the platform.

(c) *Registration report required – Timeline for submission.* On the 1st and 15th day of each month, each licensee under this Article II shall submit to the department a registration report, which shall be complete and accurate to the last day of the preceding reporting period under this subsection, containing all of the registration information required under Section 4-14-020(b) and (c) for each shared housing unit that the licensee is seeking to register with the department during the applicable reporting period. Provided, however, that the licensee shall be deemed to be in compliance with this subsection (c) if the licensee submits the required report and registration information to the department on a daily or weekly basis or more frequently than twice each month. Provided further, that the intermediary shall facilitate the collection, and transmittal to the department, of the attestations required under Section 4-14-020(c) in a format and manner consistent with requirements prescribed by the commissioner in rules.

(d) *Pending registration – Listing and rental of shared housing units while registration is pending.* Prior to submission by the intermediary of the registration report required under subsection (c) of this section and the assignment under Section 4-14-020(e) of a unique registration number to the shared housing unit identified in such report: (i) a shared housing host may list a shared housing unit that will be identified by the intermediary in its monthly registration report on its platform if the listing clearly indicates that the unit's registration by the department is pending; and (ii) the host of any unit that will be identified in such registration report shall be allowed to rent such shared housing unit, and to book future listings for such unit, until such time that the commissioner determines that such unit is ineligible under Section 4-13-260(a) to be listed on the platform.

(e) *Duration of pending registration status – Removal of invalid listing required when.* If a shared housing unit's listing on a platform does not include a valid registration number for such unit within the meaning of Section 4-14-020(e), and such listing is accompanied or required to be accompanied by the notification required under subsection (d) of this section indicating that approval of the shared housing unit's registration is pending, such listing, without an assigned registration number, shall not be valid for more than 90 calendar days after the date on which the shared housing unit was registered with the department pursuant to subsection (a) of this section. Such invalid listing shall be removed from the platform by the host no later than 91 calendar days after the date on which the shared housing unit was registered with the department pursuant to subsection (a) of this section, unless the department notifies the shared housing host in writing that the department has authorized a continuation of the shared housing unit's pending registration status to a date certain, which shall be identified in the written notice, after which date certain the listing, without an assigned registration number, shall be invalid and shall be removed from the platform by the host.

(f) *Duties of intermediary following department's assignment of a unique registration number to a shared housing unit.* When the department assigns a registration number to a shared housing unit listed in the registration report submitted by the intermediary pursuant to subsection (c) of this section, the department shall notify the intermediary and the shared housing provider of such fact. Such departmental notification shall identify the registration number that the department has assigned to such shared housing unit. The licensee shall establish a process, which shall be approved by the commissioner, to ensure that the shared housing unit's listing on the platform is promptly updated to include the assigned registration number. The licensee's failure to comply with such approved process shall be a violation of this subsection.

(g) *Ineligible listings – Duties of the intermediary.* If the department determines that a shared housing unit listed in the registration report submitted by the intermediary pursuant to subsection (c) of this section is ineligible under Section 4-13-260(a) for listing on a platform, the department shall notify the intermediary of such fact in accordance with Section 4-13-260(b). Upon receipt of such notice from the department, the intermediary shall notify the shared housing host of the facts set forth in such notice from the department.

Section 4-13-240 Data and reports – Required.

(a) *Departmental report – Required.* Each licensee under this Article II shall have a duty to submit to the department, every two months, a report, in a form approved by the commissioner, that contains the following information about the short term residential rentals listed on the intermediary's platform during the reporting period: (i) the total number of short term residential rentals listed on the platform during the applicable reporting period; (ii) the total number of nights that each short term residential rental listed on the platform was rented to guests during the applicable reporting period; (iii) the amount of rent paid by guests in connection with the rental of each short term residential rental listed on the platform during the applicable reporting period; (iv) the total amount of tax paid by the intermediary to the city under Section 3-24-030 in connection with the rental of each short term residential rental listed on the platform during the applicable reporting period; (v) a cumulative tally to date of the number of nights that each short term residential rental listed on the platform is booked for rental during the remaining months of the applicable calendar year; and (vi) a notation indicating each short term residential rental listed on the platform that the department has determined is ineligible under Section 4-13-260(a) to be listed on the platform.

(b) *Additional departmental reports – Required when.* Upon request by the commissioner, each licensee under this Article II shall have a duty to submit to the department, in a form and manner prescribed by the commissioner, data identifying the total number of shared housing units that have been rented for more than 30 nights, or for any other period of nights during the current, previous, or subsequent calendar year, that the commissioner reasonably determines is necessary to assist the department in enforcing this Chapter 4-13 or Chapters 4-14 or 4-16 of this Code. Such submission shall include a notation indicating each shared housing unit included in the data that the department has determined is ineligible under Section 4-13-260(a) for listing on a platform.

(c) *Aldermanic report – Required.* Each licensee under this Article II shall have a duty to submit to each alderman, every two months, a report, in a form approved by the commissioner, that contains, on ward specific basis for the respective ward, the information set forth in items (i) through (vi) of subsection (a) of this section about each of the short term residential rentals listed on the intermediary's platform during the applicable reporting period.

(d) *Maintaining books and records – Required.* Each licensee under this Article II shall have a duty to keep accurate books and records and maintain such books and records for a period of three years.

(e) *Additional reports and data.* Each licensee under this Article II shall have a duty to provide additional reports and data to the City as provided by the commissioner in rules.

(f) *Form of data and report submission.* The information contained in the reports required under subsections (a), (b) and (c) of this section may be submitted in an anonymized form that removes personally identifiable information about the short term residential rental provider. Provided, however, that if the information required under subsections (a), (b) or (c) has been submitted in an anonymized form and the commissioner requires de-anonymized information about a short term residential rental provider or short term residential rental in connection with an audit conducted by the department to determine compliance with this Chapter 4-13 or Chapters 4-14 or 4-16 of this Code, or the commissioner reasonably determines that a short term residential rental provider or short term residential rental is: (i) the scene of a crime or other illegal act under investigation by any local, State or Federal law enforcement agency, or (ii) operating in violation of this Chapter or Chapters 4-14 or 4-16 of this Code or any other applicable provision of this Code, including, but not limited to, the Chicago Zoning Ordinance, the commissioner may issue an order, in the form of a subpoena, directing the intermediary to provide the information in a de-anonymized form, including, but not limited to, the name of the short term residential rental provider, the address of the short term residential rental, the details of the unit's rentals, and any information within the control or possession of the intermediary regarding the guests of the shared housing unit or the rental of the unit. The intermediary shall, within 21 calendar days of the date on which such order is issued, either provide the de-anonymized information or file a legal objection to such order in writing with the commissioner. If the intermediary or shared housing host files a legal objection, the commissioner shall provide a hearing on the objection within 10 business days, as provided by rule. The commissioner's determination shall be final and may be appealed in the manner provided by law. Nothing in this subsection shall be considered a limitation or restriction on the commissioner's powers and duties under Chapter 2-25.

4-13-250 Prohibited acts.

(a) *List ineligible units on the platform.* It shall be unlawful for any short term residential rental provider to list on a short term residential rental intermediary platform any short term residential rental that the commissioner has determined is ineligible for listing pursuant to Section 4-13-260(a); or

(b) *Fail to remove ineligible listings from the platform.* It shall be unlawful for any short term residential rental provider to fail to remove from a short term residential rental intermediary platform any short term residential rental that appears on the list of ineligible short term residential rentals made available to intermediaries pursuant to Section 4-13-230(g).

4-13-260 Ineligibility – Listing on platform by a provider prohibited when.

(a) *Conditions of ineligibility for listing.* A short term residential rental shall be ineligible for listing by a provider on a licensee's platform under the following conditions:

(1) *Nuisance.* When, in the determination of the commissioner, the rental of the short term residential rental creates a nuisance because at least three separate incidents involving illegal acts, as that term is defined in Section 4-4-313(h), occurred: (i) in the short term residential rental; (ii) in or on the premises in which the short term residential rental is located; (iii) in the short term residential rental's parking facility, or (iv) on adjacent property. For purposes of determining whether three or more illegal acts occurred, illegal acts occurring shall be limited to acts of the guests, or of invitees of the guests, or to acts otherwise involving circumstances having a nexus to the operation of the short term residential rental while rented to a guest; or

(2) *Egregious condition.* When the short term residential rental is the situs of an egregious condition; or

(3) *Scofflaw or problem landlord.* When a short term residential rental is listed on, or located in a building that is listed on, the city's Building Code Scofflaw List or Problem Landlord List pursuant to Section 2-92-416; or

(4) *Uncorrected code violations.* When a short term residential rental is found to be in violation of any applicable licensing or registration chapter of this Code, and the condition that gave rise to the violation has not been corrected; or

(5) *Suspension or revocation.* When any license or registration of any person engaged in the business of short term residential rental or shared housing unit operator is suspended or revoked under this Code; or

(6) *Zoning violation.* When the area in which the short term residential rental is located is not properly zoned for the applicable use. Provided, however, that any dwelling unit properly licensed as a vacation rental as of June 22, 2016 shall be deemed to be in compliance with the applicable zoning requirements of this Code that applied and were in existence at the time such vacation rental license was approved; or

(7) *Rental caps exceeded.* If the short term residential rental is a shared housing unit, when any unlawful act set forth in Section 4-14-060 occurs; or

(8) *Shared housing host is not a natural person.* If the short term residential rental is a shared housing unit, when the registered shared housing host is not a natural person; or

(9) *Building owner prohibits all vacation rentals or shared housing units from operating in such building.* If the building contains five or more dwelling units, when the owner

of the building notifies the commissioner, in a manner prescribed by rule, that no licensed vacation rentals or shared housing units are permitted to operate anywhere in such building. Provided, however, that if the building is a cooperative building, condominium building or building governed by a homeowners association, the requirement that such building must contain five or more dwelling units shall not apply for purpose of this subsection (a)(9); or

(10) *Suspension or revocation of related licenses.* If the short term residential rental is a shared housing unit, when the shared housing host has had a vacation rental license, bed-and-breakfast establishment license, hotel license or shared housing unit operator license, or a shared housing unit registration under this chapter, suspended or revoked for cause for the shared housing unit identified in the registration application or for any other shared housing unit registered with the city; or

(11) *Shared housing unit or vacation rental is located in a restricted residential zone and was not a legally established use as of the effective date of the ordinance establishing such zone.* If the short term residential rental is a shared housing unit or vacation rental, when: (i) such short term residential rental is located in a restricted residential zone, and (ii) such shared housing unit or vacation rental, as applicable, was not a legally established use within the meaning of Section 4-17-070 as of the effective date of the ordinance establishing such restricted residential zone.

(b) *Ineligibility for listing on a platform – Notification process.* Upon determining that a short term residential rental is ineligible under this subsection to be listed on a platform, the commissioner shall notify the short term residential rental provider and intermediary, in writing, of such fact and of the basis for the determination of ineligibility. Such notice shall include a statement informing the short term residential rental provider and the intermediary that such provider may, within 10 calendar days of the date on which the notice was sent, request, in a form and manner prescribed by the commissioner in rules, a hearing before the commissioner to contest the determination of ineligibility for listing. The notice shall also advise the short term residential rental provider and intermediary that the provider is entitled to present to the commissioner any document, including affidavits, related to the commissioner's determination. If requested, a hearing before the commissioner shall commence within 10 business days of receipt of such request. Within 60 calendar days of completion of the hearing the commissioner shall either affirm or reverse such determination based upon the evidence presented. The commissioner's determination shall be final and may be appealed in the manner provided by law. If a short term rental provider fails to request a hearing within the prescribed time, the commissioner's determination shall be final and the short term residential rental shall be deemed ineligible for listing on the platform.

4-13-270 Departmental duties.

(a) *Duty to maintain list of short term residential rentals.* The commissioner shall maintain a list, by address, of all short term residential rentals currently licensed or registered under the applicable provisions of this Code.

(b) *Duty to maintain ineligibility list.* The commissioner shall prepare and maintain a list of all short term residential rentals that are ineligible to be listed on a short term residential rental intermediary's platform. Such list, which shall be updated by the commissioner periodically, but in no event fewer than four times per calendar year, shall include the date on which the list was most recently updated and shall be made available by the commissioner to all licensed short term residential rental intermediaries and short term residential rental advertising platforms in a form and manner prescribed by the commissioner.

(c) *Duty to maintain prohibited buildings list – Removal process.* The commissioner shall maintain a list, which shall be known as the prohibited buildings list, identifying the address(es) of all buildings whose owner(s), including any applicable homeowners association or board of directors, have notified the commissioner, pursuant to Section 4-13-260(a)(9), that no vacation rentals or shared housing units, in any combination, are permitted to operate anywhere in such building. The commissioner shall: (1) post the prohibited building list on the City of Chicago website; (2) establish a process by rule for verifying any notification received from a building owner(s) requesting the commissioner to include such building on the prohibited buildings list; and (3) establish a process, by rule, to enable building owners to remove buildings from the prohibited buildings list.

(d) *Duty to maintain restricted residential zone list.* The City Clerk shall publicly post online a list of current restricted residential zones in conformity with Section 4-17-060.

ARTICLE III. SHORT TERM RESIDENTIAL RENTAL ADVERTISING PLATFORM

4-13-300 License – Required.

No person shall engage in the business of short term residential rental advertising platform without first having obtained a license under Article III of this Chapter 4-13.

Section 4-13-305 Licensee – Fee.

The license required under this Article III shall be renewed annually. The license fee set forth in Section 4-4-010 shall be payable annually.

4-13-310 License application – Additional information required.

In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, renewal of, a license to engage in the business of short term residential rental advertising platform shall be accompanied by the following information:

(1) the name, address and contact information of the advertising platform's local contact person;

(2) an affidavit from the local contact person identified in the license application attesting that such local contact person: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city;

(3) proof of insurance, as set forth in Section 4-13-320(a);

(4) a written plan, subject to the approval of the commissioner, describing the applicant's procedures, processes and policies for ensuring that the applicant and any short term residential rental provider utilizing the platform are, and will remain, in compliance with this Chapter 4-13;

(5) a quality of life plan, subject to the approval of the commissioner, meeting the requirements of Section 4-13-320(g); and

(6) any other information that the commissioner may reasonably require in connection with the issuance or renewal of the license.

4-13-320 Legal duties.

(a) *Insurance for short term residential rental advertising platform – Required.* Each licensee under this Article III shall have a duty to obtain commercial general liability insurance, with limits of not less than $1,000,000 per occurrence, for bodily injury, personal injury (if commercially available to the licensee) and property damage arising in any way from the issuance of the short term residential rental advertising platform license or activities conducted pursuant to that license. Each policy of insurance shall: (i) be issued by an insurer authorized to insure in the State of Illinois; (ii) name the City of Chicago as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license (if commercially available to the licensee); (iii) be maintained in full force and effect for the duration of the license period; and (iv) include a provision requiring 30 calendar days' advance notice to the commissioner prior to cancellation or lapse of the policy.

(b) *Identification of local contact person – Required.* Each licensee under this Article III shall have a duty to include on its platform the name of, and contact information for, the licensee's local contact person.

(c) *Compliance with tax laws – Required.* Each licensee under this Article III shall have a duty: (i) not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee obtains an attestation, in a form to be determined by the commissioner in rules, from its short term residential rental providers that each such provider has a duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes; and (ii) to ensure that any third party hired or otherwise retained by the licensee to accept or process the payment of any rent or its equivalent that a provider charges a guest in connection with the rental of a short term residential rental obtains an attestation from its short term residential rental providers, in a form to be determined by the commissioner in rules, that each such provider has a duty to comply with all such applicable laws and regulations.

(d) *Conditions for listing on the platform – Vacation rental license required – Exceptions – Platform to post license number on all listings.* Each licensee under this Article III shall have a duty not to list, or permit any person to list, any short term residential rental on its platform, unless the licensee: (1) posts a notice, in a conspicuous place on its website, advising short term residential rental providers that such providers are required under this Article III to obtain a vacation rental license in order to list a rental unit on a short term residential rental advertising platform, unless the short term residential rental being listed is a properly licensed hotel or bed-and-breakfast establishment; (2) includes the provider's vacation rental license number, hotel license number or bed-and-breakfast establishment license number, as applicable, on all listings that appear on the short term residential rental advertising platform.

(e) *Descriptive listing information – Required.* Each licensee under this Article III shall have a duty not to list, or permit any person to list, any vacation rental on its platform, unless the licensee advises the short term residential rental provider that each such listing shall include the descriptive information about the listing set forth in Section 4-14-040(a)(1) through (a)(4), inclusive.

(f) *Process to remove listings from a platform – Required.* Each licensee under this Article III shall have a duty to establish a process, to be approved by the commissioner, that enables a short term residential rental provider to remove from the intermediary's platform any or all of the provider's listings on such platform.

(g) *Process to address quality of life concerns due to units on ineligible list.* Each licensee under this Article III shall establish and comply with a process, to be approved by the commissioner, for mitigating the impact on quality of life of units determined to be ineligible under Section 4-13-260(a) or any hotel that is not properly licensed under Chapter 4-6 of this Code.

(h) *Compliance with written plan – Required.* Each licensee under this Article III shall have a duty to comply with any written plan approved by the commissioner pursuant to Section 4-13-310(4).

(i) *Notification to provider of ineligibility for listing – Required.* Upon receipt of notice from the department pursuant to Section 4-13-330(b), each licensee under this Article III shall have a duty to notify the applicable provider of the facts set forth in such notice from the department and of the provider's duty to remove such ineligible listing from the advertising platform.

4-13-330 Ineligibility – Listing on a platform prohibited when – Notice and hearing.

(a) A short term residential rental shall be ineligible for listing by a provider on a licensee's platform under the conditions set forth in Section 4-13-260(a).

(b) Upon determining that a short term residential rental is ineligible to be listed on a platform, the notice and hearing procedures set forth in Section 4-13-260(b) shall apply.

4-13-340 Data and reports – Required.

Each licensee under this Article III shall submit to the department, no later than the tenth day of each month, a complete and accurate report, in a form approved by the commissioner, identifying the name of the owner, and the address and business license number, of each hotel, bed-and-breakfast establishment, and vacation rental that: (1) is currently listed on the licensee's advertising platform, and (2) constitutes a new listing since the time the licensee submitted its last report to the department pursuant to this section. Provided, however, that the licensee shall be deemed to be in compliance with this section if the licensee submits the required report to the department on a daily, weekly or semi-monthly basis.

ARTICLE IV. ENFORCEMENT

4-13-400 Rules.

The commissioner is authorized to promulgate rules necessary to implement this chapter.

4-13-410 Penalty for violation.

In addition to any other penalty provided by law, any person who violates this chapter or any rule promulgated thereunder shall be subject to a fine of not less than $1,500.00 nor more than $3,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

SECTION 9. Title IV of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 4-14, as follows:

CHAPTER 4-14
SHARED HOUSING UNITS

4-14-010 Definitions

As used in this chapter:

"Board of directors" means the board of directors of a cooperative building.

"Building containing two to four dwelling units" includes, but is not limited to, a duplex or row house comprising two to four connected dwelling units.

"Building containing five or more dwelling units" includes, but is not limited to, a row house comprising five or more connected dwelling units.

"Corporate housing" means a dwelling unit owned or leased by a business entity that is available for rent or for hire for transient occupancy solely by the business entity's officers, employees, family members of the officers or employees, consultants, vendors or contractors.

"Egregious condition" means drug trafficking; prostitution; gang-related activity; violent acts involving the discharge of a firearm or the death of, or serious bodily injury to, any person; or the use of a shared housing unit by a guest for commercial purposes, including, but not limited to, holding out the unit to members of the general public as the location of a party, amusement or event, or inviting persons to the unit under circumstances where the invitee is required, either directly or indirectly, to pay an admission fee, entrance fee or other compensation, consideration or revenue to gain entry to the unit.

"Family member(s)" means a person's: (a) mother, father, spouse, brother or sister (including blood, step or half), father-in-law, mother-in-law, son-in-law, brother-in-law, sister-in-law, grandparents or grandchildren; (b) court-appointed legal guardian or person for whom a person is a court-appointed legal guardian; or (c) domestic partner or the domestic partner's mother, father, brother or sister (including blood, step or half), or son or daughter (including blood, step or half).

"Guest" means a person who rents a shared housing unit for transient occupancy. The term "guest" does not include members of the owner's or tenant's household, as that term is defined in Section 17-17-0270.

"Guest suite" has the meaning ascribed to the term in Section 4-6-300(a)

"Homeowners association" has the meaning ascribed to that term in Section 4-6-300(a).

"Hotel" has the meaning ascribed to that term in Section 4-6-180.

"Local contact person" means a person authorized as an agent of the shared housing host who: (1) is designated for service of process; (2) is authorized by the shared housing host to take remedial action and to respond to any violation of this Code; and (3) maintains a residence or office located in the city.

"Permanent Occupancy" has the meaning ascribed to that term in Section 4-6-290.

"Platform" has the meaning ascribed to that term in Section 4-13-100.

"Primary residence" means the dwelling unit where a person lives on a daily basis at least 245 days in the applicable calendar year. The failure of a person to claim a Cook County homeowner exemption for a dwelling unit shall create a rebuttable presumption that such dwelling unit is not the person's primary residence.

"Rental agreement" has the meaning ascribed to that term in Section 5-12-030.

"Shared housing host" means an owner or tenant of a shared housing unit who rents such unit to guests.

"Shared housing unit" means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests. The term "shared housing unit" shall not include: (1) single-room occupancy buildings; (2) hotels; (3) corporate housing; (4) bed-and-breakfast establishments, (5) guest suites; or (6) vacation rentals.

"Short term residential rental intermediary" or "intermediary" has the meaning ascribed to that term in Section 4-13-100.

"Single family home" means a building that: (i) contains one dwelling unit only; and (ii) is located on its own lot; and (iii) is not attached to any other dwelling unit.

"Single-room occupancy building has the meaning ascribed to that term in Section 13-4-010.

"Tenant" means a person who has a rental agreement for a dwelling unit in which the rental payments are paid on a monthly basis for permanent occupancy of the dwelling unit.

"Transient occupancy" has the meaning ascribed to that term in Section 4-6-290.

"Vacation rental" has the meaning ascribed to the term in Section 4-6-300.

4-14-020 Shared housing unit registration – Required.

(a) *Registration by intermediary required.* Except as otherwise provided in subsection (g) of this section, no dwelling unit listed on a short term residential rental intermediary's platform shall be rented by a shared housing host until such intermediary, acting on behalf of the owner or tenant of the listed dwelling unit, and in accordance with Section 4-13-230(a), registers such unit with the department, as evidenced by the submission to the department of a registration application meeting the requirements of subsections (b) and (c) of this section.

(b) *Registration application – Form and contents.* The registration application required under subsection (a) of this section shall be in a form and manner prescribed by the commissioner, and shall be accompanied by the following information:

(1) the shared housing host's name, which shall be the name of a natural person;

(2) the address of the dwelling unit being registered as a shared housing unit, including the unit number, unit letter or similar unit identification;

(3) the contact information for the host or a local contact person;

(4) whether the dwelling unit identified in such application is a: (i) single family home, or (ii) a unit in a building containing multi-dwelling units, and (iii) whether the listing will make the entire dwelling unit available for rent or a room or portion of the dwelling unit available for rent;

(5) whether the dwelling unit identified in such application is the shared housing host's primary residence; and

(6) any other information that the commissioner may reasonably require in connection with the issuance or renewal of a registration under this chapter.

(c) (1) *Attestation –Required.* It shall be unlawful for any shared housing host: (i) not to submit any attestation required under Section 4-13-215, or (ii) to submit an incomplete or false attestation under Section 4-13-215.

(2) *False statements.* The attestation required under this subsection (c) shall be deemed to be an attestation to the city within the meaning of the False Statements Ordinance, Chapter 1-21 of this Code, regardless of the method by which such attestation is submitted or transmitted to the department.

(d) (1) *Zoning review – Required.* Each registration under this section shall include a zoning review, as provided by the commissioner in rules, to ensure that the location of the shared housing unit is in compliance with the Chicago Zoning Ordinance.

(2) *Review of prohibited building list – Required.* Each registration under this section shall include a review of the prohibited building list maintained under Section 4-13-270(c) to ensure that the shared housing unit is not located at an address identified on that list.

(3) *Review of restricted residential zone list – Required.* Each registration under this section shall include a review of the restricted residential zone list required under Section 4-17-060 to ensure that the shared housing unit is not located in a restricted residential zone, unless such shared housing unit is a legally established use within such zone within the meaning of Section 4-17-070.

(e) *Registration number – Required.* The commissioner shall assign a unique registration number to each approved shared housing unit registered with the department.

(f) *Duty to post registration number.* Upon notification from the commissioner that a unique registration number has been assigned to the dwelling unit identified in the registration application, the shared housing host shall promptly post the registration number in a conspicuous place in all applicable listings on any platform.

(g) *Listing and rental of a shared housing unit while registration is pending – Permitted.* Until the department approves the registration application, as evidenced by its assignment of a unique registration number to the dwelling unit identified in such application, any listing of such dwelling unit on an intermediary's platform shall be accompanied by a notation, which shall be located in a conspicuous place in the listing, indicating that approval of the unit's registration by the department is pending. While such registration application is pending approval by the department: (1) the intermediary may allow any shared housing unit that will be included in the registration report required under Section 4-13-230(c) to be listed on its platform, if the listing is accompanied by the required notation; and (2) the shared housing host identified in the registration application shall be allowed to rent the shared housing unit identified in such application and report, and to book future listings for such unit, until such time that: (i) the commissioner determines that the unit is ineligible under Section 4-13-260(a) for listing on a platform, or (ii) the listing is invalid under Section 4-13-230(e).

(h) *Annual review of registration – Required.* After the initial registration is approved, the shared housing unit's registration may be renewed once each year thereafter in a manner prescribed by the commissioner in rules unless the commissioner determines that the unit is ineligible for registration under Section 4-13-260(a).

(i) *Transfer of registration – Prohibited.* The registration for a shared housing unit shall be non-transferable.

4-14-030 Failure to meet eligibility requirements for registration – Legal effect – Processes.

(a) *Eligibility for registration.* A dwelling unit shall not be eligible for registration with the department as a shared housing unit, or for renewal of such registration, if any of the conditions of ineligibility applicable to a short term residential rental, as set forth in Section 4-13-260(a), exist.

(b) *Failure to meet eligibility requirements – Notice and opportunity for a hearing.* When, in the determination of the commissioner, a shared housing unit fails to meet the eligibility requirements for registration or renewal of registration, the commissioner shall notify the shared housing host, in writing, of such fact and of the basis for such ineligibility. Such notice shall: (1) include a statement informing the shared housing host that the shared housing host may, within 10 calendar days of the date on which the notice is sent, request, in a form and manner prescribed by the commissioner in rules, a hearing before the commissioner to review the determination of ineligibility under Section 4-13-260(a) for registration; and (2) advise the shared housing host that such host is entitled to present to the commissioner any document, including affidavits, related to the shared housing unit's eligibility. If requested, a hearing before the commissioner shall commence within 10 business days of receipt of such request. Within 60 calendar days of completion of the hearing the commissioner shall make a determination of the shared housing unit's eligibility based upon the evidence presented. The commissioner's decision shall be final and may be appealed in the manner provided by law. If a shared housing host fails to request a hearing within the prescribed time, the commissioner's determination of ineligibility shall be final and the shared housing unit shall be deemed ineligible for registration.

(c) *Duty to remove ineligible listings from platform.* If, following a final determination of ineligibility under Section 4-13-260(a) or Section 4-14-030(a), the shared housing host is notified in writing by the commissioner that a shared housing unit is ineligible to be listed on any short term residential rental intermediary's platform, the shared housing host shall remove the ineligible listing from the platform in accordance with rules prescribed by the commissioner. In addition to any other penalty provided by law, any shared housing host who fails to comply with this subsection shall be fined not less than $1,500.00 nor more than $3,000.00 for such failure to comply within 8 to 14 calendar days of the date on which notice under this subsection is sent; and not less than $2,500.00 nor more than $5,000.00 for such failure to comply on the 15th calendar day of the date on which such notice is sent or on any calendar day thereafter. Each day that a violation continues after such 15^{th} calendar day shall constitute a separate and distinct offense.

(d) Within thirty calendar days of the date on which notice is sent from an intermediary pursuant to Section 4-13-230(f) informing a shared housing host that a registration number has been assigned by the commissioner to the shared housing unit listed by such host on the intermediary's platform, the shared housing host shall update the applicable listing on the intermediary's platform to include the registration number identified in such notice.

4-14-040 Legal duties.

(a) *Descriptive information on listing – Required.* Each shared housing host shall include the following information in every listing of a shared housing unit on a platform:

(1) the short term residential rental provider's cancellation and check-in and check-out policies;

(2) a statement on: (i) whether the short term residential rental is wheelchair or ADA accessible; (ii) whether the short term residential rental has any parking availability or restrictions; and (iii) the availability of, or restrictions on, the use of any recreational facilities or other amenities applicable to guests;

(3) a description of the short term residential rental, including the number of sleeping rooms and bathrooms, and whether the entire dwelling unit, or only a portion thereof, is available for rent; and

(4) except as otherwise provided in Section 4-13-230(d), the short term residential rental provider's city license or registration number;

(b) *Operating requirements.* Each shared housing host shall comply with the following operating requirements:

(1) *Soaps and clean linens – Required.* Each shared housing host shall provide guests with soap, clean individual bath cloths and towels, and clean linen. All linens, bath cloths and towels shall be kept in good repair and changed between guests.

(2) *Sanitized utensils – Food disposal – Required.* Each shared housing host shall clean and sanitize the shared housing unit and all dishes, utensils, pots, pans and other cooking utensils between guests, and dispose of all food, beverages and alcohol left by the previous guests.

(3) *Notification to police of illegal activity – Required.* Each shared housing host shall immediately notify and cooperate with the police department if the shared housing host knows or suspects that any criminal activity, egregious condition or public nuisance is taking place in the shared housing unit.

(4) *Registration number in advertisements -- Required.* Except as otherwise provided in Section 4-13-230(d), each shared housing host shall conspicuously display the shared housing unit's registration number in every advertisement of any type in connection with the rental of the shared housing unit. Failure to comply with this requirement shall create a rebuttable presumption that the shared housing unit is being operated without the proper registration.

(5) *Smoke and carbon monoxide detectors – Required.* Each shared housing host shall ensure that the shared housing unit is in compliance with applicable laws regarding the installation and maintenance of functioning smoke and carbon monoxide detectors.

(6) *Posting contact information – Posting evacuation diagram – Required.* Each shared housing host shall post in a conspicuous place near the entrance of the shared housing unit: (i) the name and telephone number of a local contact person; and (ii) an evacuation diagram identifying all means of egress from the shared housing unit and the building in which it is located.

(7) *Food handling safety – Required.* Each shared housing host that provides food to guests shall comply with all applicable food handling and licensing requirements of this Code and board of health regulations.

(8) *Registration records – Required.* Each shared housing host shall maintain current guest registration records which contain the following information about each guest: (i) name, (ii) contact information, (iii) signature, and (iv) dates of accommodation.

(9) *Maintenance of records – Required.* Each shared housing host shall keep the guest registration records required under subsection (b)(8) of this section on file for three years and, upon request by any authorized city official, shall make such records available for inspection by such city official during regular business hours or in the case of an emergency.

(c) *Public accommodation – Discriminatory practices prohibited.* Each shared housing unit shall be deemed to be a public accommodation within the meaning of Section 2-160-070. It shall be unlawful for any person that owns, leases, rents, operates, manages or in any manner controls such public accommodation to withhold, deny, curtail, limit or discriminate concerning the full use of such public accommodation by any individual because of the individual's race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income in violation of Section 2-160-070.

(d) *Disclosure and acknowledgment required.*

(1) A building or dwelling unit owner, or agent thereof, shall not execute an oral or written lease, contract to lease, or accept any money or other valuable consideration in an application for an oral or written lease for a dwelling unit without disclosing to the tenant or applicant in written form if the building or dwelling unit owner knows that:

(i) The dwelling unit being leased is registered with the City of Chicago as a shared housing unit;

(ii) The dwelling unit being leased is ineligible under Section 4-13-260(a) to be rented as a shared housing unit.

(2) The tenant or applicant shall be required to execute a receipt acknowledging that these written disclosures have been made.

(3) All owners of residential dwelling units and buildings (and their agents) shall, at the time of any offering for sale of said residential dwelling units and buildings, or in the case where improved real property is held under trust, at the time of any offering for sale of the real property which forms the corpus of the trust, or at the transfer of the beneficial interest in such property, including contract sale, be required to disclose to the purchaser or prospective purchaser if the owner knows that:

(i) The dwelling unit being sold is registered with the City of Chicago as a shared housing unit;

(ii) The dwelling unit being sold is ineligible under Section 4-13-260(a) to be rented as a shared housing unit or vacation rental.

(4) The purchaser or prospective purchaser shall be required to execute a receipt acknowledging that these written disclosures have been made.

4-14-050 Unlawful acts.

(a) *Criminal activity, nuisances, egregious conditions – Prohibited.*. It shall be unlawful for any shared housing host to permit any criminal activity, or public nuisance within the meaning of Section 4-13-260(a)(1), or egregious condition, to take place within the shared housing unit. In addition to any other penalty provided by law, any person who violates this subsection shall be subject to a fine of not less than $2,500.00 nor more than $5,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(b) *Exceeding maximum occupancy – Prohibited.* It shall be unlawful for any shared housing host to exceed the maximum occupancy limit of no more than one person per 125 feet of floor area of the shared housing unit. The occupancy limitation set forth in this subsection is the absolute maximum limitation. The actual allowed capacity shall be based on the applicable provisions of the building code.

(c) *Misrepresentation of material facts – Prohibited*. It shall be unlawful for any shared housing host to misrepresent on any listing any material fact regarding the shared housing unit.

(d) *Service of alcohol – Prohibited.* It shall be unlawful for any shared housing host to serve or otherwise provide alcohol to any guest or invitee of any guest.

(e) *Rental under ten hours – Prohibited.* It shall be unlawful for any shared housing host to rent any shared housing unit, or any portion thereof, by the hour or for any period of fewer than ten consecutive hours.

(f) *Multiple rentals within 10 hour period – Prohibited.* It shall be unlawful for any shared housing host to rent any shared housing unit, or any portion thereof, more than once within any consecutive ten hour period measured from the commencement of one rental to the commencement of the next.

(g) *Advertising hourly rate – Prohibited.* It shall be unlawful for any shared housing host to advertise an hourly rate or any other rate for any shared housing unit, or any portion thereof, based on a rental period of fewer than ten consecutive hours.

(h) *Multiple or overlapping bookings – Prohibited.* It shall be unlawful for any shared housing host to allow multiple bookings or rentals of any shared housing unit for the same or overlapping time periods.

(i) *Rental of ineligible units by shared housing host or host's family members – Prohibited.* Following notice of a final determination of ineligibility under Section 4-14-030(b), it shall be unlawful for any shared housing host to rent or allow any family member to rent any shared housing unit identified in such notice that the commissioner has determined is ineligible for listing on any platform. Any person who violates this subsection shall be fined not less than $500.00 nor more than $1,000.00 for renting such shared housing unit within 14 calendar days of the date on which such notice is sent; and not less than $1,500.00 nor more than $3,000.00 for renting such shared housing unit on or after the 15th calendar day and before the 28^{th} calendar day of the date on which such notice is sent; and $5,000.00 for renting such shared housing unit on or after the 28^{th} calendar day of the date on which such notice is sent. Each day that a violation continues after such 28^{th} calendar day shall constitute a separate and distinct offense.

4-14-060 Rental requirements and restrictions.

(a) *Lawfully established dwelling unit with six or fewer sleeping rooms – Required.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is not a lawfully established dwelling unit within the meaning of Section 17-17-0248, which contains six or fewer sleeping rooms.

(b) *Violation of condominium or cooperative building restrictions – Prohibited.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit if the homeowners association or board of directors has adopted by-laws prohibiting the use of the dwelling unit as a shared housing unit or vacation rental, in any combination.

(c) *Violation of rental requirements and restrictions – Prohibited.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is subject to a rental agreement, if the owner of the building in which the dwelling unit is located has prohibited the use of such dwelling unit as a shared housing unit or vacation rental, in any combination.

(d) *Listing and rental of single family home that is not the licensee's primary residence – Restricted.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is a single family home, unless such single family home is the shared housing host's primary residence. Provided, however, that this prohibition shall not apply if: (i) the shared housing host is on active military duty and such host has appointed a designated agent or employee to manage, control and reside in the single family home during such host's absence while on military duty; or (ii) the applicable commissioner's adjustment under Section 4-14-100(a) permitting otherwise has been obtained; or (iii) the single family home was properly licensed, as of June 22, 2016, as a non-owner occupied vacation rental.

(e) *Listing and rental in buildings with up to four dwelling units – Restricted.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is located in a building containing two to four dwelling units, inclusive, unless such dwelling unit is: (i) the shared housing host's primary residence, and (ii) is the only dwelling unit in the building that is or will be used as a shared housing unit or vacation rental, in any combination. Provided, however, that the prohibition set forth in item (i) shall not apply if the shared housing host is on active military duty and such host has appointed a designated agent or employee to manage, control and reside in the shared housing unit during such host's absence. Provided further, that the prohibitions set forth in items (i) or (ii) shall not apply if: (a) the applicable commissioner's adjustment under Section 4-14-100(a) permitting otherwise has been obtained; or (b) the shared housing unit was properly licensed, as of June 22, 2016, as a non-owner occupied vacation rental.

(f) *Listing and rental in buildings with five or more dwelling units – Prohibited.* It shall be unlawful for any shared housing host to list on any platform or to rent any shared housing unit that is located in a building containing five or more dwelling units, when more than six dwelling units in the building, or one-quarter of the total dwelling units in the building, whichever is less, are or will be used as shared housing units or vacation rentals, in any combination, if the dwelling unit identified in the registration application is registered as a shared housing unit.

(g) *Removal of ineligible listings from platform*. Following notice of a final determination of ineligibility under Section 4-13-260(b) or Section 4-14-030(b), it shall be unlawful for a shared housing host to fail to remove the ineligible listing from the platform in the manner prescribed by the commissioner in rules. In addition to any other penalty provided by law, any person who fails to comply with this subsection (g) shall be fined not less than $1,500.00 nor more than $3,000.00 for such failure to comply within 8 to 14 calendar days of the date on which notice under Section 4-13-260(b) or Section 4-13-320(h) is sent; and not less than $2,500.00 nor more than $5,000.00 for failure to comply on the 15th calendar day of the date on which such notice is sent or on any calendar day thereafter. Each day that a violation continues after such 15th calendar day shall constitute a separate and distinct offense.

4-14-070 Rules.

The commissioner is authorized to promulgate rules necessary to implement this chapter.

4-14-080 Registration – Suspension or revocation.

(a) *Registration suspension or revocation – Authorized when.* In addition to any other penalty provided by law, a registration under this chapter may be suspended or revoked by the commissioner for any violation of this chapter. Except as otherwise provided in subsection

(b) of this section, no registration shall be revoked or suspended except in accordance with subsection (d) of this section.

(b) *Immediate suspension or revocation – Post-deprivation hearing – Authorized when.* If the commissioner has good cause to believe that: (1) continued rental of a shared housing unit causes an imminent threat to public health, safety or welfare, and (2) grounds exist for revocation or suspension of the shared housing unit's registration, including, but not limited to, any of the grounds set forth in subsection (c)(1) through (c)(6), inclusive, of this section, the commissioner may, upon issuance of a written order stating the reason for such conclusion and without notice or hearing, suspend or revoke the shared housing unit's registration and prohibit the shared housing host from renting the shared housing unit to guests for a period of time not to exceed ten calendar days; provided, however, that the shared housing host shall be afforded an opportunity to be heard during such period. If the shared housing host fails to request a hearing within the prescribed time, or requests a hearing but fails to appear at such hearing, the shared housing unit's registration shall be deemed revoked.

(c) *Suspension or revocation – Pre-deprivation hearing – Authorized when.* In addition to any other applicable reason, a shared housing unit registration may be suspended or revoked in accordance with this section under the following circumstances:

(1) *Situs of one or more egregious conditions.* When a shared housing unit is the situs of one or more egregious conditions while rented to guests; or

(2) *Situs of three or more objectionable conditions.* When a shared housing unit has been the situs, on three or more occasions, while rented to guests, of disturbance of the peace, public drunkenness, drinking in public, harassment of passersby, loitering, public urination, lewd conduct, overcrowding, exceeding design loads, or excessive loud noise. For purposes of this subsection (c)(2):

> "Excessive loud noise" means any noise, generated from within or having a nexus to the rental of the shared housing unit, between 8:00 P.M. and 8:00 A.M., that is louder than average conversational level at a distance of 100 feet or more, measured from the property line of the shared housing unit.
>
> "Overcrowding" means occupancy by more persons than the maximum occupancy limit of no more than one person per 125 feet of floor area of the shared housing unit or the shared housing unit's actual capacity based on the applicable provisions of the building code, whichever is less.
>
> "Exceeding design loads" means placing loads on structural elements or components of buildings, including, but not limited to, porches, balconies, and roof decks, in excess of the minimum design loads required by the building code; or

(3) *Situs of three or more nuisance conditions.* When, in the determination of the commissioner, the rental of the shared housing unit creates a nuisance because at least three separate incidents involving illegal acts, as that term is defined in Section 4-4-313(h), occurred

during a 12-month period: (i) in the shared housing unit; (ii) in or on the premises in which the shared housing unit is located; (iii) in the shared housing unit's parking facility, or (iv) on adjacent property. For purposes of determining whether three or more illegal acts occurred, illegal acts occurring shall be limited to acts of the guests, or of invitees of the guests, or to acts otherwise involving circumstances having a nexus to the operation of the shared housing unit while rented to a guest. In a proceeding to suspend or revoke the license of a vacation rental that is or creates a nuisance under this Section 4-14-080(c)(3), any evidence on which a reasonably prudent person would rely may be considered without regard to the formal or technical rules of evidence, and the commissioner may rely on police reports, official written reports, affidavits and business records submitted by authorized city officials or employees charged with inspection or enforcement responsibilities to determine whether such illegal acts or objectionable conditions occurred. If, during any 12-month period three separate incidents of illegal acts occur on the licensed premises, on or in the licensed premises' parking facility, or on adjacent property, a rebuttable presumption shall exist that the shared housing unit is or creates a nuisance in violation of this Section 4-14-080(c)(3); or

(4) *Scofflaw or problem landlord.* When a shared housing unit is listed on, or is located in a building that is listed on, the city's Building Code Scofflaw List or Problem Landlord List pursuant to Section 2-92-416; or

(5) *Threat to public health, safety or welfare.* When the commissioner determines that the continued rental of a shared housing unit poses a threat to the public health, safety or welfare; or

(6) *Unlawful discrimination.* When, in connection with the listing for rental or rental of a shared housing unit, the commissioner or Chicago commission on human relations has determined that a violation of Section 2-160-070 or Section 4-14-040(c), as applicable, has occurred.

(d) *Notification and hearing process.* Upon determining that a shared housing unit's registration is subject to suspension or revocation under this section, the commissioner shall notify the shared housing host, in writing, of such fact and of the basis for the suspension or revocation of the registration. Such notice shall include a statement informing the shared housing host that the shared housing host may, within 10 calendar days of the date on which the notice was sent, request, in a form and manner prescribed by the commissioner in rules, a hearing before the commissioner to contest the suspension or revocation. The notice shall also advise the shared housing host that the shared housing host is entitled to present to the commissioner any document, including affidavits, related to the commissioner's determination for suspension or revocation. If requested, a hearing before the commissioner shall be commenced within 10 business days of receipt of such request. Within 60 calendar days of completion of the hearing the commissioner shall either affirm or reverse such determination based upon the evidence presented. The commissioner's decision shall be final and may be appealed in the manner provided by law. If a shared housing host fails to request a hearing within the prescribed time, the shared housing unit registration shall be deemed suspended or revoked. Upon entry of a final order of suspension or revocation, the commissioner shall: (1) notify the short term residential rental intermediary in writing of such fact; and (2) place the unit on the ineligibility list maintained by the commissioner under Section 4-13-270(b). Within three calendar days of the date on which the commissioner sends such written notification of suspension or revocation to the shared housing host, the shared housing host shall remove the short term residential unit identified in such notice from its platform. The intermediary shall act in accordance with the approved process established pursuant to Section 4-13-220(h).

4-14-090 Violation – Penalties – Injunctive relief.

(a) *Fines and other applicable penalties.* Except as otherwise provided in this chapter, and in addition to any other penalty provided by law, any person who violates this chapter or any rule promulgated thereunder shall be subject to a fine of not less than $1,500.00 nor more than $3,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(b) *Exceeding rental restrictions.* If the rental restriction applicable to buildings containing more than five units, as set forth in Section 4-14-060(f), is exceeded in any building, all shared housing registrations and vacation rental licenses for dwelling units located within such building are subject to revocation under this chapter.

(c) *Injunctive relief.* In addition to any fine or other penalty imposed by law, the corporation counsel may seek an injunction or other equitable relief in a court of competent jurisdiction against a host to stop any violation of this chapter.

(d) *Duration of revocation.* If a shared housing unit registration under this chapter is revoked, such revocation shall remain in effect for a period of at least two years from the date of revocation and thereafter until such time that a new owner or tenant, as applicable, other than a family member of the person whose registration was revoked, occupies the dwelling unit.

4-14-100 Shared Housing Units – Commissioner's Adjustments – When authorized.

(a) The commissioner is authorized to grant an adjustment to allow:

(1) the operation of a shared housing unit located in:

(i) a single family home that is not the shared housing host's primary residence; or

(ii) a building containing two to four dwelling units, inclusive, where the dwelling unit is not the shared housing host's primary residence; or

(2) in a building containing two to four dwelling units, inclusive, an increase in the number of dwelling units that may be used as shared housing units.

Such an adjustment may be approved only if, based on a review of relevant factors, the commissioner concludes that such an adjustment would eliminate an extraordinary burden on the applicant in light of unique or unusual circumstances and would not detrimentally impact the health, safety, or general welfare of surrounding property owners or the general public.

Factors which the commissioner may consider with regard to an application for a commissioner's adjustment include, by way of example and not limitation: (i) the relevant geography, (ii) the relevant population density, (iii) the degree to which the sought adjustment varies from the prevailing limitations, (iv) the size of the relevant building and the number of units contemplated for the proposed use, (v) the legal nature and history of the applicant, (vi) the measures the applicant proposes to implement to maintain quiet and security in conjunction with the use, (vii) any extraordinary economic hardship to the applicant, due to special circumstances, that would result from a denial, (viii) any police reports or other records of illegal activity or municipal code violations at the location, and (ix) whether the affected neighbors support or object to the proposed use.

The grant of an adjustment shall not exempt the applicant from any application requirement associated with registration of a shared housing unit.

(b) An adjustment under subsection (a)(1) may be requested by the shared housing host. An adjustment under subsection (a)(2) may be requested by the owner, homeowners association or board of directors of the building.

(c) A person seeking an adjustment shall make a written submission to the commissioner, presenting all factors which the applicant believes to be relevant to whether an adjustment is appropriate. The applicant shall provide a copy of the written submission to the adjoining neighbors. The commissioner shall review the materials and make a written determination within 60 days, which shall set forth the factors used in arriving at the determination. During the 60-day review period, the commissioner shall notify the affected alderman and solicit a recommendation based on the alderman's analysis of relevant factors, and may seek additional information or supplementary proof from the applicant, and may also solicit information from the community.

If the commissioner denies the application for an adjustment, the applicant, within fourteen days of receiving the denial, may request a hearing from the commissioner. Upon receiving such a request, the commissioner shall schedule and conduct a hearing expeditiously. At the hearing the commissioner may receive written submissions, witness testimony, argument and documents regarding the application. The commissioner shall, within thirty days of the conclusion of the hearing, render a decision, which shall constitute a final determination for purposes of judicial review.

(d) If the commissioner grants the application for an adjustment, those factors that were deemed by the commissioner to be relevant to the determination shall be included in a plan of conduct. If the registration is issued, the plan of conduct shall be deemed a part of the shared housing unit registration, and compliance with the plan of conduct shall be a necessary condition to the continued validity of the registration. Failure to comply with one or more elements of the plan of conduct shall subject the registrant to suspension or revocation of the shared housing unit registration.

(e) Throughout the commissioner's adjustment consideration process, the applicant shall bear the burden of persuasion to justify the sought adjustment.

4-14-105 Limit calculation.
The limits on the number of shared housing units in a building shall be calculated as maximum limits using the method in section 17-1-0605-B.

SECTION 10. Title IV of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 4-16, as follows:

CHAPTER 4-16
SHARED HOUSING UNIT OPERATOR

ARTICLE I. DEFINITIONS

Section 4-16-100 Definitions.
As used in this chapter:

"Bed-and-breakfast establishment" has the meaning ascribed to that term in Section 4-6-290.

"Shared housing host" has the meaning ascribed to that term in Section 4-14-010.

"Shared housing unit operator" means any person who has registered, or who is required to register, as the shared housing host of more than one shared housing unit.

"Shared housing unit" has the meaning ascribed to that term in Section 4-14-010.

"Vacation rental" has the meaning ascribed to that term in Section 4-6-300.

ARTICLE II. SHARED HOUSING UNIT OPERATOR

Section 4-16-200 License – Required.
No person shall engage in the business of shared housing unit operator without first having obtained a license under Article II of this Chapter 4-16.

Section 4-16-210 License application – Additional information required.
In addition to the requirements set forth in Section 4-4-050, an application for, and, if requested, renewal of, a license to engage in the business of shared housing unit operator shall be accompanied by the following information:

(1) the name, address and contact information of the shared housing unit operator's local contact person;

(2) an affidavit from the local contact person identified in the license application attesting that such local contact person: (i) is designated for service of process; (ii) is authorized

by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city;

(3) a statement as to whether the applicant or licensee has had a previous bed-and-breakfast establishment license or vacation rental license or shared housing unit registration revoked, and the reasons for revocation;

(4) any other information that the commissioner may reasonably require in connection with the issuance or renewal of the license.

Section 4-16-220 Legal duties.

(a) *Local contact person – Required.* Each licensee under this Article II shall have a duty to maintain a local contact person who: (i) is designated for service of process; (ii) is authorized by the applicant or licensee to take remedial action and to respond to any violation of this Code; and (iii) maintains a residence or office located in the city.

(b) *Compliance with shared housing unit laws – Required.* Each licensee under this Article II shall have a duty to comply with all applicable laws and regulations regarding operation of shared housing units.

(c) *Compliance with tax laws – Required.* Each licensee under this Article II shall have a duty to comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes, including hotel accommodation taxes.

Section 4-16-230 Departmental duties.

(a) *Inspections.* The building commissioner is authorized to mandate an inspection of any shared housing unit operated by a shared housing unit operator at least once every two years, at a time and in manner, including through third-party reviews, as provided for in rules and regulations promulgated by the building commissioner.

Section 4-16-240 Prohibited acts.

It shall be unlawful for any licensee under this Article II to engage in any act prohibited under Chapter 4-13.

ARTICLE III. ENFORCEMENT

Section 4-16-300 Rules.

The commissioner is authorized to promulgate rules necessary to implement this chapter.

Section 4-16-310 Operating without a license.

Any person who engages in the business of shared housing unit operator without first having obtained the required license for such business shall be subject to a fine of not less than $1,500.00 nor more than $3,000.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

Section 4-16-320 Suspension or revocation of shared housing unit registration.

Suspension or revocation of the registration of any shared housing unit held by a shared housing unit operator shall be grounds for the suspension or revocation of all shared housing unit registrations held by that shared housing unit operator, and shall be grounds for suspension or revocation of the licensee's shared housing unit operator license.

Section 4-16-330 Penalty

(1) In addition to any other penalty provided by law, any person who violates any provision of Article II of this chapter or any rule promulgated thereunder shall be subject to a fine of not less than $1,500.00 nor more than $3,000.00 for each offense. Each day that such violation exists shall constitute a separate and distinct offense.

(2) In addition to any fine or penalty imposed by this section, the corporation counsel may seek an injunction or other equitable relief in a court of competent jurisdiction to stop any violation of this section.

SECTION 11. Title IV of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 4-17, as follows:

CHAPTER 4-17
RESTRICTED RESIDENTIAL ZONES

4-17-010 Definitions.

As used in this Chapter:

"Dwelling unit" has the meaning ascribed to that term in Section 17-17-0248.

"Petition" means the Petition described in Section 4-17-020.

"Platform" has the meaning ascribed to that term in Section 4-13-100.

"Precinct" means the smallest constituent territory within the City of Chicago in which electors vote as a unit at the same polling place in any election governed by the Illinois Election Code.

"Primary residence" means a dwelling unit: (1) that is occupied by its owner on a daily basis at least 245 days in the applicable calendar year; and (2) for which the owner has claimed a Cook County homeowner exemption.

"Residentially zoned property" means property that bears an RS-1, RS-2 or RS-3 designation pursuant to the Chicago Zoning Ordinance.

"Restricted residential zone" means a precinct within which, in any combination: (1) all new or additional shared housing units or vacation rentals, or both, have been ordained as ineligible for licensing or registration under Chapter 4-14 or Section 4-6-300 of this Code; or (2) all new or additional shared housing units or vacation rentals, or both, that are not their owner's primary residence have been ordained as ineligible for licensing or registration under Chapter 4-14 or Section 4-6-300 of this Code.

"Shared housing unit(s)" has the meaning ascribed to that term in Section 4-14-010.

"Short term residential rental intermediary" has the meaning ascribed to that term in Section 4-13-100.

"Short term residential rental advertising platform" has the meaning ascribed to that term in Section 4-13-100.

"Short term residential rental provider" has the meaning ascribed to that term in Section 4-13-100.

"Vacation rental(s) has the meaning ascribed to that term in Section 4-6-300.

4-17-020 Restricted residential zone – Petition authorized.
The legal voters of any precinct within the City that contains residentially zoned property may petition their local alderman, using a Petition form made available online by the City Clerk, to introduce an ordinance establishing that precinct as a restricted residential zone. Such Petition shall specify whether it seeks an ordinance to prohibit within the precinct, and in what combination: (1) all new or additional shared housing units or vacation rentals, or both; or (2) all new or additional shared housing units or vacation rentals, or both, that are not their owner's primary residence. Upon receiving a Petition containing the signatures of at least 25% of the registered voters of the precinct, and concluding that the Petition is legally sufficient following the posting and review process in Section 4-17-030, the City Clerk shall notify the local alderman of the ward in which the precinct is located. Upon being notified, that alderman, following an assessment of relevant factors within the precinct, including its geography, density and character, the prevalence of residentially zoned property, current shared housing units and vacation rentals in the precinct, and the prevailing viewpoint with regard to the issue raised in the Petition, may introduce an ordinance creating a restricted residential zone in that precinct, in accordance with Section 4-17-040.

4-17-030 Posting and review process.
(a) A person seeking to initiate the Petition process described in this Chapter shall first submit to the City Clerk notice of intent to do so, on a form made available online by the City Clerk. That notice shall include a description of the potentially affected area and the scope of the restriction sought. The City Clerk shall publicly post the submitted notice online.

(b) To be legally sufficient, a Petition must contain the requisite number of valid signatures and all such signatures must be obtained within 90 days of the date that the City Clerk publicly posts the notice of intent.

(c) Upon receipt, the City Clerk shall post the Petition on the City of Chicago website for a 30-day comment period.

(d) The City Clerk is authorized to take all necessary and appropriate steps to verify the legal sufficiency of a submitted Petition. Following the Petition review and comment period, the City Clerk shall publicly post online the status of the Petition as accepted or rejected, and if rejected, the reason(s) therefor.

(e) If the City Clerk rejects a Petition as legally insufficient, a minimum of twelve months must elapse from the time the City Clerk posts the rejection notice before a new notice of intent for that same precinct may be submitted.

4-17-040 Ordinance establishing a restricted residential zone.

An ordinance introduced pursuant to Section 4-17-020 to establish a restricted residential zone shall:

(a) identify the applicable precinct boundaries as of the date of the Petition; and

(b) state whether the ordinance prohibits, and in what combination, the issuance of (1) all new or additional shared housing units or vacation rentals, or both; or (2) all new or additional shared housing units or vacation rentals, or both, that are not their owner's primary residence.

(c) apply to all such residentially zoned property within that precinct; and

(d) be in effect for four years following the effective date of such ordinance, unless repealed earlier pursuant to Section 4-17-050; and

(e) once in effect, be subject to renewal by ordinance at the expiration of the four-year period without the need for another supporting Petition.

4-17-050 Restricted residential zone – Repeal.

At any time during the four-year restricted period, the restricted residential zone may be repealed by ordinance, subject to the Petition and ordinance process and timelines set forth in this Chapter applicable to the imposition of that zone. A minimum of twelve months must elapse from the effective date of an ordinance repealing a restricted residential zone before a new notice of intent to create a restricted residential zone for that same precinct may be submitted.

4-17-060 Restricted residential zone – Locations.

The City Clerk shall publicly post online a list of current restricted residential zones, which shall include the effective date of the pertinent ordinance and a description of the scope of the restriction for each zone.

4-17-070 Lawfully established uses – Permitted.

If a shared housing unit or vacation rental that is located within a restricted residential zone was registered with or licensed by the City under Chapter 4-16 of this Code or Section 4-6-300 as of the effective date of the ordinance establishing such zone, such shared housing unit or vacation rental shall be deemed to be lawfully established and, notwithstanding any ordinance under this Chapter to the contrary, may be listed on a short term residential rental intermediary's platform or short term residential rental advertising platform or rented in conformity with Chapter 4-16 or Section 4-6-300, as applicable, until such time that the applicable registration or license is allowed to expire, as evidenced by non-renewal of the registration or license, or ownership or tenancy of the shared housing unit or vacation rental, as applicable, is transferred to another person. The burden of proof shall be on the short term residential rental provider to establish that the shared housing unit or vacation rental was properly registered with or licensed by the city as of the effective date of the ordinance establishing the restricted residential zone.

4-17-080 Construction of Chapter.

This Chapter sets forth the exclusive process governing the restriction by geographic area of shared housing units or vacation rentals that would otherwise be permitted by the Code.

4-17-090 Rules.

The City Clerk is authorized to promulgate rules to implement and administer this Chapter 4-17.

SECTION 12. Section 17-2-0207 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

(Remainder of page intentionally left blank)

USE GROUP		Zoning Districts								Use Standard	Parking Standard
Use Category		RS	RS	RS	RT	RT	RM	RM	RM		
	Specific Use Type	1	2	3	3.5	4	4.5	5-5.5	6-6.5		
P= permitted by-right S = special use approval req'd PD = planned development approval req'd - = Not allowed											
(Omitted text is unaffected by this ordinance)											
P. Lodging											
1.	Bed and Breakfast	-	-	-	-	P	P	P	P	§ 17-9-0103	§ 17-10-0207-S
2.	Vacation Rental	P	P	P	P	P	~~S~~ P	~~S~~ P	~~S~~ P		
3.	Shared Housing Unit	P	P	P	P	P	P	P	P		
(Omitted text is unaffected by this ordinance)											

SECTION 13. Section 17-3-0207 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

17-3-0207 Use Table and Standards.

USE GROUP		Zoning Districts						Use Standard	Parking Standard
Use Category		B1	B2	B3	C1	C2	C3		
	Specific Use Type								
P= permitted by-right S = special use approval required PD = planned development approval required - = Not allowed									
(Omitted text is unaffected by this ordinance)									
H. Lodging									
1.	Bed and Breakfast	P	P	P	P	P	-	§ 17-9-0103	§ 17-10-0207-S
2.	Hotel/Motel	-	-	S	S	S	S		§ 17-10-0207-S
3.	Vacation Rental	P	P	P	P	P	-		
4.	Shared Housing Unit	P	P	P	P	P	-		
(Omitted text is unaffected by this ordinance)									

SECTION 14. Section 17-4-0207 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

17-4-0207 Use Table and Standards.

USE GROUP		Zoning Districts				Use Standard	Parking Standard
Use Category		DC	DX	DR	DS		
	Specific Use Type						
P= permitted by-right S = special use approval required PD = planned development approval required - = Not allowed							
(Omitted text is unaffected by this ordinance)							
II. Lodging							
1.	Bed and Breakfast	P	P	P	P	§ 17-9-0103	§ 17-10-0208
2.	Hotel/Motel	P	P	-	P		§ 17-10-0208
3.	Vacation Rental	~~S~~ P	~~S~~ P	~~S~~ P	~~S~~ -		
4.	Shared Housing Unit	P	P	P	-		
(Omitted text is unaffected by this ordinance)							

SECTION 15. Section 17-15-0303 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

17-15-0303 Expansion.

(Omitted text is unaffected by this ordinance)

17-15-0303-F. Dwelling units that are a non-conforming use in a C, M or DS district may be registered under Chapter 4-14 of the Municipal Code of Chicago and used as a shared housing unit subject to review and approval by the Zoning Administrator in accordance with the administrative adjustments process set forth in Section 17-13-1003-LL.

SECTION 16. Title 17 of the Municipal Code of Chicago is hereby amended by inserting a new Section 17-13-1003-M, underscored as follows:

17-13-1003-M Shared housing units.

1. The Zoning Administrator is authorized to approve an administrative adjustment to allow the establishment of a shared housing unit in a non-conforming dwelling unit in a C, M or DS district.

2. Such administrative adjustment may be approved only when the Zoning Administrator determines, upon submission of proof by the shared housing host that:

(a) the non-conforming dwelling unit is a lawfully established dwelling unit, which contains 6 or fewer sleeping rooms; and

(b) prior to June 22, 2016, such non-conforming dwelling unit, or any portion therein, was listed on a platform, as defined in Sec. 4-13-100, for rental for transient occupancy by guests; and

(c) such non-conforming dwelling unit is otherwise eligible under Chapter 4-14 of the Municipal Code of Chicago to be registered as a shared housing unit; and

(d) the proposed adjustment meets the general approval criteria of Sec. 17-13-1007-B.

SECTION 17. Section 17-17-0104-S of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

17-17-0104-S Lodging. Provision of *lodging* services on a temporary basis with incidental food, drink, and other sales and services intended for the convenience of guests. The following are *lodging* use types:

1. Bed and Breakfast. An owner-occupied, detached house or an owner-occupied *dwelling unit* within a multi-unit *residential building* that does not exceed 4 stories in height and contains no more than 11 sleeping rooms or an owner-occupied condominium, townhouse or cooperative in which 11 or fewer sleeping rooms are available for rent on for hire for transient occupancy by registered guests. For purposes of this definition, the term bed and breakfast does not include single-room occupancy *buildings*. If the bed and breakfast is a detached house located on a lot that includes a principal house and an *accessory building* that was being used for residential purposes as of January 16, 2003, the *accessory building* that will be considered to be part of the establishment.

2. Hotel/Motel. An establishment containing 12 or more guest rooms and in which short-term *lodging* is offered for compensation and which may or may not include the service of one or more meals to guests. Typical *uses* include hotels, motels and transient boarding houses.

3. Vacation Rental. A dwelling unit that ~~is not owner-occupied and~~ contains 6 or less sleeping rooms that are available for rent or for hire for transient occupancy by guests. The term "guests" does not include members of the owner's household. The term "vacation rental" shall not include: (i) single-room occupancy buildings or bed-and-breakfast establishments, as those terms are defined in Section 13-4-010; (ii) hotels, as that term is defined in Section 4-6-180 of this code; (iii) any dwelling unit for which a tenant has a month-to-month rental agreement, as that term is defined in 5-12-030 and the rental payments are paid on a monthly basis; or (iv) Corporate Housing, as that term is defined in Section 4-6-300, or (v) ""guest suites" as that term is defined in Section 4-6-300, or (vi) shared housing units registered pursuant to Chapters 4-13 and 4-14 of this Code.

4. Shared Housing Unit. "Shared housing unit" means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy

by guests. The term "shared housing unit" shall not include: (1) single-room occupancy buildings; (2) hotels; (3) corporate housing; (4) guest suites; (5) bed-and-breakfast establishments, or (6) vacation rentals.

SECTION 18. Nothing in this Ordinance shall be construed as a waiver of any licensing or other requirement in effect prior to the effective date of this Ordinance or, following such effective date, to suffer, permit or allow any activity that requires a license or registration under this Ordinance except in conformity with this Ordinance.

SECTION 19. Following due passage and approval, Section 2 of this Ordinance shall take effect on July 1, 2016, and that portion of this Ordinance creating new Section 4-13-260(a)(9) and Section 4-13-270(c) of the Municipal Code shall take force and effect on July 15, 2016. The remainder of this Ordinance shall take effect 150 days following its passage and publication.

DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION

CITY OF CHICAGO

JUNE 21, 2016

TO THE HONORABLE, THE CHAIRMAN AND
MEMBERS OF THE JOINT CITY COUNCIL COMMITTEE
ON HOUSING AND REAL ESTATE AND
ZONING, LANDMARKS & BUILDING STANDARDS

Ladies and Gentlemen:

I transmit herewith an ordinance amending various provisions of the Municipal Code regarding shared housing units and vacation rentals.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Maria Guerra Lapacek
Commissioner

JOSEPH A. MOORE

ALDERMAN, 49TH WARD
7356 NORTH GREENVIEW AVENUE
CHICAGO, ILLINOIS 60626
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CITY COUNCIL
CITY OF CHICAGO

COUNCIL CHAMBER

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121 NORTH LASALLE STREET
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CHAIRMAN

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FINANCE

HEALTH AND ENVIRONMENTAL PROTECTION

HUMAN RELATIONS

SPECIAL EVENTS, CULTURAL AFFAIRS AND RECREATION

June 22, 2016

To the President and Members of the City Council:

Your Joint Committee on Housing and Real Estate and Zoning, Landmarks and Building Standards, for which a meeting was held on June 21, 2016, having had under consideration the ordinance directly introduced to committee by Mayor Rahm Emanuel on June 21, 2016, this being the amendment to Titles 3, 4 and 17 of the Municipal Code of Chicago regarding home sharing and vacation rentals, begs leave to recommend that Your Honorable Body Approve said substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of all committee members present with no dissenting votes.

Respectfully submitted,

Daniel Solis
Committee on Zoning, Landmarks and Building Standards

Joseph A. Moore, Chairman
Committee on Housing and Real Estate

CHICAGO WORKS TOGETHER

APPROVED
Stephen R. Patton
CORPORATION COUNSEL

APPROVED
Rahm Emanuel SRP
Mayor
6/24/16